

# Practitioner's Section

## Account Management 2.0: From Silo Thinking to Integrated Account Development

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Account management in combination with the successful, strategy-driven development of customers constitutes the nucleus of Marketing & Sales Excellence.

This article introduces the Double Loop Process of account management. This process utilizes cultural-psychological factors of organizational development which have a massive impact on whether account management succeeds or fails. Nonetheless, these factors too often remain outside the scope of consciousness, and therefore, they cannot be controlled. Through the Double Loop Process, customer-based strategies are developed and profitably implemented by integrating all required internal functions and expertise in a collaborative and productive way.

Thereby, the Double Loop Process sustainably contributes to the customer- and profit-oriented alignment of internal decision-making processes within a given corporate culture. It improves cross-functional collaboration, instead of letting silo thinking, departmental egoisms, management from the "ivory tower," or the reference to "lack of time" and "exhaustion" jeopardize account-related profit potentials.

### 1 Account Management in Marketing & Sales Excellence

The importance of account management is directly correlated with the concentration within a customer base. In other words, effective account management is increasingly critical as the success of a business becomes more and more dependent on the relationship to individual accounts. This concentration process has been an observable trend within the chemical and life science industry for many years.

In this context according to Diller *et al.* (2005), account management comprises the management of a supplier's communication and interaction processes with potential or existing customers in order to generate or foster customer relationships all along the customer life cycle.

In addition to the planning, organization, leading and controlling of the sales staff, account management also includes the topics of customer acquisition, fostering customer relationships, customer retention, as well as complaint management and winning back dissatisfied customers. Furthermore, account management includes the termination of

customer relationships and the process management, as well as sales organization and the controlling of customer management (see Diller *et al.*). This kind of definition for account management clearly emphasizes the sales aspects of account management and therefore the sales excellence component.

In contrast to this sales-driven definition of account management, there are other definitions which look upon account management more as a special form of marketing organization, in which very important customers receive special and preferred treatment as key accounts. At these defined key accounts, it is crucial to accurately target the marketing instruments. In this context, the assignment of the sales staff with their specific decision-making power is regarded as one of the marketing instruments, which is and should be directed by marketing (see Kirchgeorg, 2014).

The different definitions of account management already reveal a separation process between marketing and sales, which must be overcome in order to sustainably develop and profitably strengthen customer management. This separation process is the result of an increasing acceleration of day-

to-day business leading to “burn-outs,” “time bottlenecks,” or lack of “concentration.” In the end, the acceleration causes avoidance of real, personal collaboration in favor of alleged effort savings (see e.g. Virilio, 2008; Goleman, 2013, and Rosa, 2005).

Instead of swinging back and forth from a marketing perspective to a sales perspective and thereby from the organization towards the customer and back, the Double Loop Process of account management reveals how customer interaction processes can be managed cross-functionally and cross-departmentally beyond silo thinking. Thereby the Double Loop Process takes into account research findings showing that similar competences – but different orientations of marketing and sales (product vs. customer and long term vs. short term orientation) – obviously have a positive effect on their cooperation and market performance (see Homburg and Jensen, 2007).

The Double Loop Process considers account management to be a comprehensive, reconciled marketing and sales process, which is attuned to a company's or a company division's strategy. It ranges from structuring and segmenting customers, through their acquisition, fostering, and retention, all the way to the winning back of lost customers and account-related controlling processes. In doing so, the Double Loop Account Management concerns marketing excellence, as well as sales excellence, or better yet – the marketing and sales excellence, also involving all other functions that are necessary for the profitable optimization of collaboration with customers.

Due to the advanced customer concentration, the significance of such an integrated account and key account management is generally fairly high in the chemical and life science industry: In some markets, it's not uncommon to see a single customer contribute more than 30% of a supplier's business and to see 80% of sales to be made with only 12 customers, who only account for 3% of the entire customer base.<sup>1</sup>

In these markets, it seems reasonable to give serious consideration to how to secure and sustainably extend business with the most important customers. Customer-focused strategies, account plans, or account development plans (in the following ADPs), often referred to as customer concepts (see e.g. Schmitz, 2006), or key account strategies serve this purpose. In literature (and in practice), these account-focused strategies or ADPs are considered to be a critical success factor for key account management (see e.g. Ryals and McDonald, 2008).

There are numerous examples (see e.g. Sirsi, 2005) and guides (see e.g. Ryals and McDonald,

2008) for the content of ADPs. Usually the ADP covers the analysis of a customer in its market and competitive environment and derives an account strategy based on this analysis. The strategy is then to be converted to an account-related action plan. At the same time, the ADP creates the basis for controlling the performance of the business with a particular account (see e.g. Küng *et al.*, 2002).

The development and implementation of ADPs is usually considered to be a linear process. Initially, the account managers are being prepared for their assignments, including the development of account plans by more or less theoretical trainings. In the ideal case, the top management, as well as other function owners who are relevant to the key account managers' success, is involved (see e.g. Cheverton, 2012).

Despite all training efforts, the creation of ADPs remains a rather unpopular task for sales. ADPs are considered to be another administrative exercise, which lowers sales efficiency and distracts from the actual sales job, aside from visit reports and sales planning. Sales' objections to ADPs are manifold and originate from different sources and interests (see e.g. Cheverton, 2012).

After the unpopular creation of the ADP, the (key) account manager is responsible for its implementation. Even though in many cases, especially in the case of global key accounts, cross-functional teams are involved in the implementation process (see e.g. Zupancic and Senn, 2000), in practice and in many how-to manuals, the impression arises that the (key) account manager is more or less on his own during implementation (see e.g. Jones, 1997).

Developing difficulties concerning internal interfaces and the ADP implementation are either underestimated or not even recognized by both the top management and the other company divisions. Only marketing and sales seem to be aware of the difficulties (see Harms *et al.*, 2011), albeit from different perspectives.

Therefore, it is no surprise that the lack of awareness of interface problems results in optimization processes being driven by individual corporate functions. For instance, Sales excellence programs are initiated without sufficiently accounting for marketing's role. In these environments, ADP-programs often focus on the creation of the ADP-document within the sales department, instead of reaching the full potential of implementation at and with the most relevant interfaces.

On the other hand, marketing excellence programs optimize without taking sales into account. Likewise, there are books on marketing excellence, which have 15-page long glossaries that do not even

<sup>1</sup> These ratios originate from an industry praxis in the fine chemical business and are not too exceptional for many chemical markets.

mention sales or selling (see e.g. Burkitt and Zealley, 2006). Here ADPs are seen more as tool for controlling sales activities. Marketing can back down to a strategic and more theoretical view on the customers and ADPs, instead of really meeting the challenge of implementation barriers and hindrances. Instead, this is left to sales people, who conversely regard the strategic analysis and handling of customers as too theoretical.

In the following paragraph, the integrated approach for "Account Management 2.0" will be introduced, which replaces such silo thinking with a cross-functional and implementation-driven view of customer management and ADPs. In doing so, both sales and marketing excellence are sustainably supported by involving all relevant interfaces within the organization.

## 2 Account Management 2.0: The "Double Loop Process" of Account Management

### 2.1 Customer Portfolio Management and Customer Segmentation

The basis of Account Management 2.0 is the question of which customers should be handled in what way and with which effort and intensity. This question must be answered by marketing and sales working in close collaboration and by applying various well-established concepts and methods available (see e.g. Homburg *et al.*, 2012):

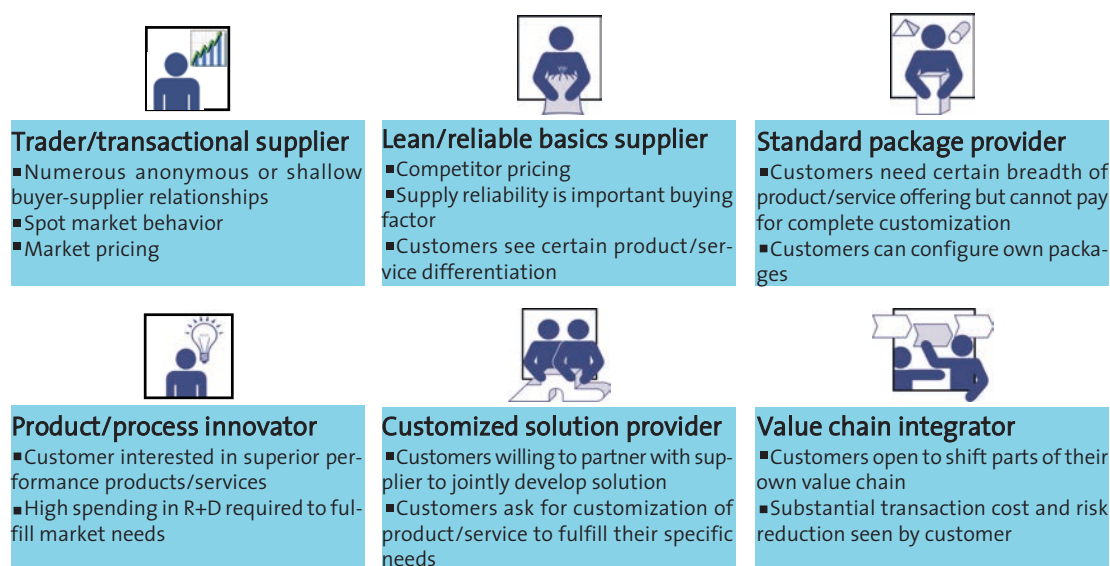
- **ABC-Analyses** refer to the customer concentra-

tion in relation to different possible variables, like e.g. sales volume, net sales, contribution margin, or profit potentials of individual customers. They conclude which contribution to business is or can be achieved with which portion of customers and thereby mainly support the prioritization of customers and the controlling of customer-related resource allocation.

- **Customer portfolio analyses** examine the attractiveness of customers and one's own competitive position in order to derive normative strategies for the resource allocation across customers.
- **Customer segmentations** define homogenous customer clusters in order to structure the different go-to-market approaches and to make them more effective and more efficient. In the chemical industry, geographical, industry- and respectively product application-based segmentations still prevail, although need-based segmentations are increasingly applied (see e.g. Goudappel, 2013; and Lach and Hasse, 2013.).

The application of these methods then leads to the determination of a customer's status (e.g. as a global key account, A-, B- or C-account, regional key account, regional account, etc.) and to different go-to-market models, which indicate which customer segments (especially need-based ones) should be approached in what form and with what level of intensity. In the chemical industry, the question arising above all others is which product and serv-

Figure 1 Customer Interaction Model in the chemical industry using the example of BASF SE (see Lach and Haase, 2013).



ice qualities should be offered to which segments and through which sales channels at what price level. Here, customer interaction models, as displayed in Figure 1, are increasingly applied.

For example, as a trader/transactional supplier you will not offer technical services or customer-specific products to your customers. Also personal sales and customer visits will be limited for the commodity products you are offering. The focus is for lean and cost efficient processes to remain competitive.

In contrast, as a product/process innovator, you will, for example, offer specific services and engage in customer-specific development projects to develop and sell your specialty products with value pricing and value selling processes.

So customer interaction models define the marketing-mix, the backend business processes and your organizational set-up of a supplier, based on the requirements established in relevant markets.

And together with the methods, mentioned before, they create the basis for the future customer management processes, which should be defined in the ADPs.

Vice versa, the insights gained in the course of ADP processing have influence on the aforementioned methods and their outcome. For example, an adjusted view of customer potentials may have an influence on the customer attractiveness and may promote a former regional account to a key account position. Or a customer's assignment to a need-based segment changes due to the insights gained during the account development process-

es.

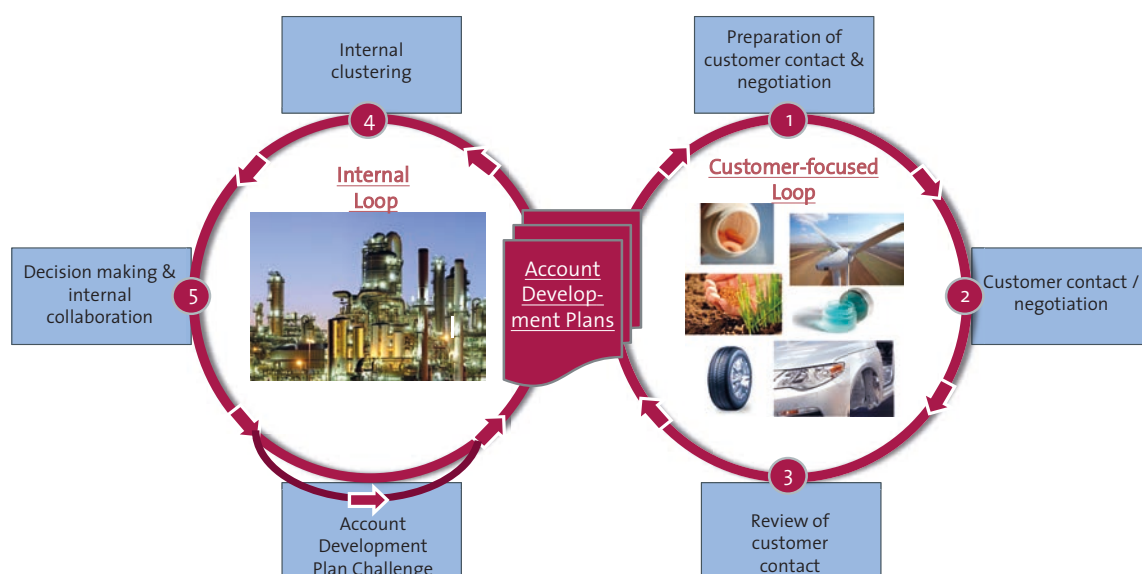
Accordingly, customer portfolio management, customer segmentation (including corresponding go-to-market models), and account planning are interdependent.

The tasks connected to these methods can neither be exclusively assigned to sales excellence, nor to marketing excellence. In fact, both sides and additional functions are required in order to achieve true marketing and sales excellence, while referring back to clearly defined roles and responsibilities, of course. Thereby, one of marketing's central roles is to define the methodological setting concerning portfolio analysis, segmentation methods, and go-to-market models, whereas sales is more responsible for the customer-focused planning and implementation processes including the loading of the aforementioned methods with relevant information. This is where the Double Loop Process comes into play, which will be explained in the following paragraph. The process incorporates the different perspectives into one comprehensive account management process, integrating and coordinating all relevant functions and perspectives necessary to develop and implement true marketing and sales excellence. In the Double Loop Process, the ADPs take a central but strongly implementation-oriented position.

## 2.2 The Double Loop Process at a Glance

At the end of the day, there are basically two answers to the core question – When can the appli-

Figure 2 The Double Loop Process of Account Management.



cation of ADPs, as a central element of account management, be regarded as a success?

First, the ADPs are only really worth the effort if they support the sustainably profitable implementation of the account strategies and account-related measures. The needle eye of customer contact and of customer negotiations has to be passed successfully.

And second, this will only be possible if the ADPs support and improve the account-related internal decision-making processes in terms of effectiveness and efficiency.

This correlation is shown in Figure 2, which provides an overview of the Double Loop Process with its elements and features, which will be explained in the following section:

The aspect of customer-related ADP implementation highlights **the right hand** loop of the process. In this **customer-focused loop**, the objective is to be successful in the interaction with the customer and to come to the right strategic conclusions from the customer contact.

This customer-focused loop includes topics, such as:

- the preparation of negotiations, including the available tools and methods,
- the successful implementation of negotiations and customer contacts, as well as
- the consequential strategy-related post processing of the customer contact.

So, the ADP has to be designed in such a way that it supports these topics significantly better than without having ADPs in place. For example, the ADP should include conclusions about the customer's decision-making processes and buying center in order to ease the preparation of negotiations. In addition, insights and conclusions gained and achieved during customer contacts should be summarized in the ADP. If necessary, the customer strategy should be modified based on these findings.

The second aspect of internal implementation focuses **on the left and internal loop**. It refers to the cross-functional decision-making process, the internal implementation of customer-related measures, the internal knowledge transfer and the coordination within the organization. Furthermore, the identification and solution of cross-account topics is part of this loop.

For this purpose, it's helpful, for example, to support customer-related investment decisions or resource allocations by quantifying the profit potentials, which are expected to be involved with the investment. For instance, how many resources it

will take to carry out a collaborative innovation project with a customer should be determined, as well as how much additional profit may be expected due to that project.

The internal investment decisions are often trend-setting for the future collaboration with a customer and shall therefore be represented and summarized in the ADP, including their consequences for the customer strategy.

Instead of a static focus on the ADP-document, in Account Management 2.0 the **ADP** becomes a **dynamic pivotal point for the customer management process**: the results of the interactions with the account are included in the ADP which can therefore be used for the internal preparation of decision-making. After having passed through the internal loop, the ADP summarizes the internal decisions and their strategic consequences for the future collaboration with the customer, which once again builds the basis for the preparation of future interactions with the customer.

Inevitably, the ADP becomes a living document, as the Double Loop Process is continuously conducted, again and again.

In the following section, the Double Loop Process's elements will be described in greater detail.

### 2.3 The Elements of the Right, Customer-Related Loop

The right loop of the Double Loop Process takes care of the integrated and cross-functional preparation, implementation and post-processing of negotiations or important customer meetings.

The following elements can support the **preparation of negotiations** which should, depending on the relevance of the negotiation, be implemented more or less intensively and in a cross-functional way:

- **Goal Matching:** Goal Matching includes the clear internal determination of negotiation objectives, the analysis of potential negotiation objectives of the opposite party, and the identification of positive overlapping and cooperation potentials, as well as remaining conflicting targets. This goal matching sets the ground for the later design of the negotiation choreography. Furthermore, it inhibits any reflex of seeing the customer as an enemy, who - based on the mechanisms of separation - per definition cannot provide a win-win scenario.
- **Agenda Setting:** The Agenda Setting includes a conscious psychological and strategic determination of negotiation topics and their sequence.



Hereby, the course of the negotiation and / or the customer meeting is essentially determined. In the course of the agenda's determination and design matching with the customer, the balance of power between both parties, both acting in their respective corporate culture, becomes apparent. The agenda setting also takes into account the primarily unconscious factors of an encounter between two negotiating parties, which are highly relevant from a corporate culture perspective.

For example, actively influencing an agenda that has been suggested by a big key account is e.g. a good opportunity to get back to eye level with the customer, even before the actual negotiation begins. In contrast, if taking appropriate influence on the agenda does not succeed, one is already pushed to a defensive position and has to resort to more suitable tactics.

- **Power Mapping & Customer Decision Processes:** A power mapping analyzes and visualizes the quality of the previously established relationships to a customer's buying center members, the internal relationships between a customer's influencers and decision makers, and the influence spheres or communicational gateways of competitors. This implies a thorough analysis of the customer's decision-making process. This clarifies who should be handled in which order and in what form in order to gain as much influence in the customer's decision-making process as possible. These analyses should therefore also be included in the ADPs.
- **Personal Psychological Mapping:** The psychological mapping includes the analysis of sales-relevant personality factors within the team and the corresponding assessment of the negotiation partners from the opposite party in order to shape negotiations and communication in a way that increases the probability of success. By analyzing the perceptual and decision-making preferences of the persons involved in the negotiation, the Myers-Briggs Type Indicator (MBTI®) can notably support these processes. (for the MBTI® see e.g. Bents and Blank, 2010.)
- **Value Arguments:** At the core of the negotiation and its preparation are the value arguments which, in terms of sequence and formulation, must be applied according to the negotiation objectives, the personality of the negotiation partners and the negotiation situation as such. In negotiations for specialty products and applications, the product's benefits are at the forefront. They e.g. lead to cost savings for the cus-

tomers within his manufacturing process, a higher production output, higher quality products, more security, a higher sustainability, or image advantages. For commodity businesses or commoditized business, it's more a question of service-oriented and supply chain-related elements of differentiation, leading to savings in terms of time, personnel, and / or costs, a higher process stability, or generally less stress and risks for the customer.

- **Information Needs:** During the course of the preparation of a negotiation, the information that should be attained from the customer during the negotiation needs to be clarified in order to optimize one's own price determination or increase one's own market and competitor intelligence.
- **Negotiation Choreography, including roles, strategy and tactics:** The negotiation choreography describes how negotiations should be lead. This includes the determination of negotiation roles within the team and suitable negotiation tactics. Thereby, it's determined which negotiation arguments and tactics should be utilized in which way and by whom. The choreography finally describes the rhythm to which you want to "dance" and negotiate with the different corporate cultures involved in the negotiation.
- Depending on the responsible employees' experience and demand, **negotiation trainings and negotiation simulations** can support the rehearsal and practice of the negotiation choreography.

After closing the negotiation, the Double Loop Process heads into the **post-processing phase**. In addition to reflecting the outcome with colleagues, writing visit reports and feeding CRM systems (see e.g. Albers and Krafft, 2013), here the focus should be on systematically checking the negotiation results actually achieved against the negotiation strategy and objectives. Additionally, the need for adjusting the account strategy, ideas for account-related measures and resource requirements become apparent and should finally be summarized in an update of the ADP.

#### 2.4 The Elements of the Left, Internal Loop

The major objective of the Double Loop Process's left loop is the cross-functional alignment and implementation of account-related activities in a way that supports a sustainable profit optimization as much as possible.

Based on the insights gained during the customer interactions, the account manager's task is to spot resource requirements and ideas for account-related measures and improvements in a way that allows an efficient internal decision-making process and a profitable implementation.

On the one hand, he has to ensure the implementation of agreed upon measures and terms within his own responsibility and decision authorities. In case he encounters insurmountable resistance at the internal interfaces, e.g. with supply chain management, the R&D department or the technical service, he must escalate the conflict through the hierarchy and thereby bring it to a head. It is imperative to overcome the divisional boundaries for the sake of the successful and profitable collaboration with the customer.

Furthermore, the (key) account manager should identify and address responsible internal decision makers for those topics that exceed his own responsibility and decision authority. If he's been given the green light for his topics, he should actively pursue the implementation in order to support a customer-minded and efficient implementation process. In contrast, in case he does not come through with his initiative and suggestion, there still remains the possibility to escalate through the organization's hierarchy.

As easy and obvious this way may sound, it can become a real burden in practice. Blurry roles and responsibilities, narrow decision-making authorities (even on management levels), hidden conflicts between different departments, personal conflicts, non-matching incentive-systems and target agreements, and other priorities in the supporting divisions do not make the job any easier.

In this connection, the challenges are so manifold and organization-specific that universal statements can barely be made. In many cases, the Double Loop Process creates the foundation for a comprehensive organizational development project. This may e.g. be the case, when it becomes apparent that roles & responsibilities are not defined clearly and / or are not put into practice, or when the Double Loop Process reveals that certain interfaces and / or processes do not work properly. Consequently, the Double Loop Process can lead to insight into the necessity for more comprehensive organizational development diagnostics. The organizational development diagnostics then allow for identifying and treating the roadblocks which prevent an integrated account management, overcoming departmental and functional separation processes. For this purpose, the organizational diagnostics may refer to the principles of a morphologic impact analysis (see Salber, 1995).

Despite the common implementation topics

mentioned above, a central element of the left, internal loop is the so-called "ADP-Challenge": The ADP-Challenge can be compared to a pit-stop, during which the most important account-related developments will be systematically and comprehensively analyzed together by the top management and the relevant decision makers.

The ADP-Challenge has the following functions:

- Exchange about the ADPs of different accounts and their insights, ideas, proposed strategies and measures,
- Exchange about topics, trends and market observations that go beyond the individual account perspective,
- Decision about important account-related and cross-account investments,
- Strategic guidance for future management of the account(s),
- Identification of and decisions about cross-account measures,
- Coupling of account-related investments with the budgeting process,
- Critical assessment and improvement of the quality of ADPs,
- Challenge and sustainable development of account managers and account management teams, as well as
- Contribution to the organizational development towards an integrated and sustainable profit-driven development of accounts and markets.

The way in which the ADP-Challenge is implemented significantly depends on the size, complexity and regional structure of the sales organization.

Nevertheless, all the ADP-Challenges should have the following factors in common:

- Design as a fixed ritual in the business calendar,
- Involvement of the top management,
- Involvement of the executives and decision makers of the relevant functions (e.g. marketing, sales, R&D, business development, supply chain / production),

- Interactive course of action,
- Scheduled in a way that the ADP-Challenge's results can be included in the budgeting process,
- The obligation for everyone involved to prepare for the ADP-Challenge, and
- A neutral and result-oriented facilitation, at least during the introduction of the ADP-Challenge.

The implementation of the ADP-Challenge will increase the customer and market orientation of the budgeting process and thereby improve it significantly. A well-implemented ADP-Challenge will replace meaningless Excel tables with well-grounded and coordinated budget figures, which refer much more to a systematically aligned planning of customer- and market-related investments, price levels, quantities, sales, costs, and contribution margins.

The following paragraph elucidates how differently the ADP-Challenge and the Double Loop Process can turn out, depending on the organizational structure and the business under consideration.

## 2.5 Implementation of the Double Loop Process in Different Businesses

There is no universal pattern for the course of the Double Loop Process and the ADP-Challenge. Even the introduction of the Double Loop Process as such may occur very differently.

In some cases, it is appropriate to start with the right loop and prepare the account managers and negotiation teams by conducting negotiation trainings and workshops for strategically important negotiations. After that, the account managers and cross-functional teams can be guided through the Double Loop Process with systematic coaching.

In other cases, it may be appropriate to start with the left loop of the Double Loop Process before getting to the first ADP-Challenge. In this case, the ADP-Challenge, which marks the starting point of the left loop, would initially be conducted without pre-designed ADPs. Instead, the account managers will give a presentation on selected topics without any guidance or restrictions in terms of templates and formats. The form of their presentations will then provide important input for the later design of the ADPs. The second ADP-Challenge will then refer to ADP-formats, contents and templates defined in the meantime.

In a third case, the definition of ADP-contents and templates and the subsequent roll-out to the account managers and account management teams

can mark the start of the Double Loop Process.

In the optimal case, the implementation of the Double Loop Process will be preceded by an organizational development diagnostic in order to attune the implementation process to the specific corporate culture and situation. This will also reveal how the ADP challenge should be designed in the very specific case.

In a **global key account organization**, the main challenge of the Double Loop Process's implementation is the coordination of the global and regional views on account management. Here, the ADP-Challenge turns into a global event, which comes along with corresponding traveling and coordination expenses. The number of key accounts to be considered is usually limited in a way that enables the ADP-Challenge to be conducted over the course of one or two days, given there aren't any problems. In the case of a two-day ADP-Challenge, which covers 10 key accounts, there would be, for example, up to one hour left for each account.

**In the case of a lower customer concentration with a global and broadly diversified customer structure**, one has to face completely different challenges.

For example, if there are only 5 or 6 global key accounts in a sales organization, but 900 important regional customers and 150 account managers who need to be considered, the Double Loop Process and the ADP-Challenge have to be regionalized in order to avoid a major event with up to 200 employees. An event of this size could not be handled properly in terms of content. Only for the global key accounts, the aforementioned scenario can be applied.

Here it is beneficial to additionally deal with the 900 regional customers in a two-phase approach:

- In a first phase, the topics that need to be dealt with by the regional sales organization or subsidiary are processed in regional ADP-Challenges under the guidance of the corresponding area managers or regional sales heads.
- In addition, the topics that cannot be processed or solved within the regions and e.g. require a high amount of central resources will be dealt with in a central ADP-Challenge. This second step of a supra-regional ADP-Challenge will deal with those insights and requirements gathered during the different regional ADP-Challenges that need to be solved within the headquarters. Both the regional sales executives and the supra-regional decision makers will be involved in this second phase.

In particular, the fact that the regional ADP-



Challenges usually have to deal with a more fragmented customer base and a high number of accounts often leads to the necessity of modifying the classic course of the ADP-Challenge. It is e.g. not feasible to work through 30 presentations and discussions for all the regional accounts in a linear process. In this case, more innovative workshop concepts must be applied to support the control of attention and concentration of the participants. For example, a combination of self-studies, prepared webinars and fair concepts could be utilized for the presentation and discussion of the ADP contents for a high number of accounts.

It becomes obvious that the Double Loop Process's and the ADP-Challenge's basic principles stay intact in both application examples. In either case, the implementation must be attuned to the specifics of the organization, its culture and the customer portfolio. There is no universal solution.

## 2.6 Contents of the ADP

As the ADP becomes part of a dynamic, comprehensive and integrated process during the course of the Double Loop Process instead of an unpopular, mandatory document moldering on servers or in drawers, it's just as important to address the ADP's actual contents.

The integration into such a Double Loop Process affects the ADP's content, which, in its details, turns out to be highly specific to company, business and culture.

The **contents of the ADP** usually follow a similar basic structure with the following elements:

- Executive or Management Summary
- The situation of the customer
- Our business with the customer and existing business potentials
- Our strategy
- Measures, milestones and required resources

The weighing and arrangement of the aforementioned building blocks are highly business dependent and company specific. For example, in commoditized businesses, the focus shifts to supply chain topics, while in innovative specialty businesses, the technical and development-related questions, as well as customer projects, are of higher importance. This should be reflected accordingly within the ADP structure.

Furthermore, the **content and length of the ADP** should accommodate the customer's importance.

It is therefore recommended to shape the ADPs with different levels of detail and scopes for different customer segments.

A further question that needs to be answered over the course of the ADP creation is: at what point can the contents of an ADP be standardized using **templates** and with which **software** shall the ADPs be created (e.g. Excel, Powerpoint, Word)? While templates simplify the reading and processing of different ADPs, they significantly restrict the account manager's room to maneuver and make it harder for him to convey his customer story. For that reason, a careful and well-dosed application of templates is recommended, which often speaks against a mainly Excel-based implementation of ADPs. At the same time PowerPoint offers the advantage over Word, in that the ADP's contents can easily be used for presentation purposes without further adaptation (e.g. in the course of the ADP-Challenge).

In each case, it makes sense to choose a strongly result- and profit-oriented ADP design to support the left loop of the Double Loop Process. This means that business potentials at an account, objectives, etc. should be expressed in terms of contribution margins. This poses a challenge to a lot of account managers, for which they should be prepared accordingly.

Important topics for the right loop are e.g. decision-making processes, our relationship to the customer's decision makers and their personality profiles. They can e.g. be addressed in the section, dealing with our business with the customer.

In any case, the Double Loop Process transforms the usage of ADPs and the subsequently enhanced decision-making process into an integrated and cross-functional process.

## 3 Conclusion

The Double Loop Process of account management, as presented here, leads to a fundamentally changed perspective on account management and the creation and implementation of ADPs. The ADP becomes part of a comprehensive customer management and decision-making process, which supports the systematic preparation, implementation and post-processing of customer negotiations. Additionally, it systemizes and improves the internal cross-functional coordination and decision-making concerning account-related strategic topics.

The firm embedding of the ADP-Challenge within the organization offers the opportunity of an annual, systemized strategic debate about account-related questions and decisions. It aligns the account-related strategies involving all relevant functions and creates strategic clarity for the affect-

ed account managers and account management teams. The coordination of the ADP-Challenge with the budgeting process in terms of timing, organization and content leads to strategically well-founded, agreed-upon, more customer- and market-related budget figures.

The entry to the Double Loop Process, its course of action, and the form of the ADP-Challenge are highly dependent on the individual case. Nevertheless the basic principles, which have been briefly outlined with the help of different examples, remain the same.

The introduction of such a Double Loop Process does not require witchcraft, but demands and fosters discipline, organization and effort from everyone involved - from account managers to decision makers at important interfaces, right up to the top management.

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