

# Retain and Grow Your Top Customers

By Rob Urbanowicz, Principal



Throughout my career I've seen hundreds of B2B Customer Relationship Management Programs that have had varying degrees of success. Many of them involved significant amounts of time and energy spent in data analysis, identification of business process improvement, and investment in new systems or technologies designed to create an incredible ROI. But what intrigues me most about retention and growth initiatives is that most fail to realize that sales and service are delivered on the front lines, with teams and people interacting and delivering business value with decision makers. We embarked on a research initiative with marketing executives in Business-to-Business (B2B) firms to identify the customer programs that successfully drive customer retention and growth.

## B2B Account Retention and Loyalty

In our survey of top B2B high-tech firms\*, we asked Chief Marketing Officers and Marketing Vice Presidents to identify the programs their organizations execute and the level of success with those programs. In the area of account retention and loyalty, we found that **face-to-face executive level customer programs have a significantly higher customer loyalty success rate** versus user-level customer programs. The executive customer programs leading in loyalty included executive advisory boards and executive summits (see chart below). This observation makes sense, since B2B buying decisions typically rest with the executives responsible for implementing strategies and tactics to move their business forward. If the incumbent vendor is not in-tune with the broader business needs and the executive sponsor's key initiatives, the opportunities are open for competitors to capture, and loyalty toward the incumbent vendor can dwindle.

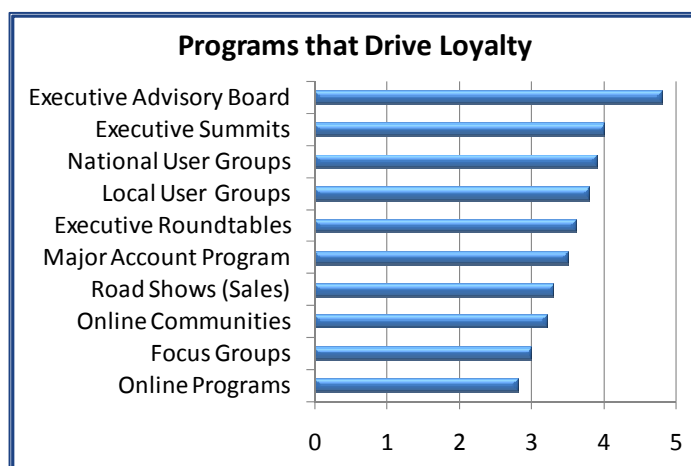


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A case in point – LexisNexis sells legal research services and software to law firms. An issue arose in one of their key account law firms that advanced to the point where the partner in the law firm made the decision to move to a competitor. Luckily, an

influential associate in the firm participates on the LexisNexis customer advisory board, and felt the issue could be resolved with the right people. He engaged the LexisNexis team, and they worked through the issue and saved the account.

Other firms like Interwoven and Oracle monitor and track the results of their executive level customer programs. The results they find from accounts participating in executive level customer programs have as much as a 25% greater retention rate than those not involved in such programs.

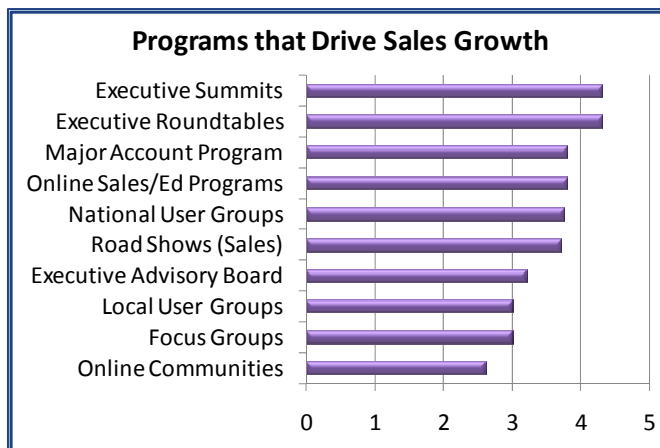


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## B2B Account Growth

Growing top customers is a challenge for many B2B organizations, especially when an organization is evolving from a product-oriented firm to a solution-oriented firm. A good rule of thumb used by large B2B firms is that a major account program should see growth in the top customers at a rate that is double the growth in other accounts. Our research found that **major account programs and executive summits and roundtables show a much greater rate of success in driving sales growth** than other programs. And those companies that involved their own executives in major account programs report even greater success.

Companies like SAP and Harris Broadcast Communications do an outstanding job of identifying new business opportunities in existing accounts by leveraging a major account sales program coupled with executive sponsors from their organizations. The executive sponsors are responsible for connecting with their customers' executives and bring a broader level of organizational commitment to the table. This helps to engage business leaders from their customers and win new business.



## Future Investments in Uncertain Times

Given the timing of our research, we had to ask what these same customer-leading executives were planning to do in the future. The executives in our survey reported a **shift of investment to on-line programs for the broader user-based communities**, including on-line seminars. Interestingly, only 1/3 of the respondents actually measure KPI's or ROI in their on-line communities. Recently, I asked a group of eleven interactive marketing executives from major B2B and B2C organizations about the ROI they are seeing in Web 2.0 initiatives, and the group unanimously concluded that the ROI from on-line communities is yet to be determined.

Another interesting find was that 38% of the respondents plan to **invest more in executive level face-to-face** programs, including sales events and programs with decision makers. My sense is that given the current economic climate, the market today requires additional effort to get to decision makers in order to successfully sell and expand account growth.

The reality is that most organizations don't have the budget or the band-width to engage directly with customer executives in all of their accounts, especially in today's economic climate. So, I recommend a little Pareto analysis to identify low hanging fruit. By segmenting the top accounts within your organization, most B2B companies find a large percentage and/or significant pool of revenue rests in a small number of accounts. Top accounts represent a golden opportunity and are a great place to begin to develop the framework for success. A smaller and manageable program with a select group of accounts will also keep the program investment at a reasonable level, and provide focus on the elements necessary to achieve success. And, in these uncertain times, gaining revenue and loyalty from top accounts will keep your organization in the game, while positioning yourself for success as the global economy rebounds.

*\*The Geehan Group recently conducted a survey of 20 of the top 50 players in the B2B high-tech industry.*