

ORACLE

# Essential Strategies for Account Management and Renewals

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 **Ignite Guide**



A TWELVE-MINUTE READ



# Build profitable customer relationships with account management and renewals

For your account management and service teams, customer relationships are about driving revenue. But, from your customers' perspective, it's all about the experience you provide.

So the question is: How do you build relationships that deliver on both fronts? It's easier and more profitable to sell, upsell, and cross-sell current customers than to procure new ones. Customer retention boosts revenue and customer loyalty while also possibly attracting new customers via referrals.

**It costs \$1.60 to acquire \$1 of annual recurring revenue (ARR) from a new customer, but it only costs \$0.69 to expand an existing customer.<sup>1</sup>**

A consistent experience that meets—or even exceeds—customer expectations is likely to make the renewals process easier and keep customers happy. But, to create that consistency—particularly

when multiple account managers and service professionals work together—anyone who engages with the customer must have access to all their information.

An effective account management and renewal strategy can help. By identifying and prioritizing key customers and determining responsibilities for everyone who interacts with them, it allows you to build deeper, more meaningful relationships and aligns your team, products, and services to meet customers' needs, deliver value, and drive revenue.

This guide will walk you through the strategic considerations that drive account management and renewals, so you can make the most of your customer relationships.



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# Account management and renewals, defined

Account management is an extension of the sales process. It's the practice of ensuring customers are satisfied, and that they're able to meet their goals and objectives with your products and services.

It's also about nurturing and strengthening customer relationships so customers want to continue doing business with you, as well as anticipating customer needs and providing ideas and recommendations for additional products and services to benefit them.

Renewals—dedicated to driving ongoing business—provide a stable customer base for profitability and growth. High renewal rates can:

- Help improve customer advocacy and loyalty
- Increase opportunities for expansion
- Create positive brand perceptions
- Indicate high levels of customer satisfaction
- Lead to increased Net Promoter Scores®

Renewals should be a continuous, transparent process that begins the first day a customer signs a contract.

A well-executed strategy for account management and renewals aligns key internal stakeholders who may engage with the customer.

- **Account executive/seller:** focuses on getting new customers and maintains the financial relationship throughout the customer lifecycle.
- **Service professional:** has a complete view of the account, including transactional history, and handles all service requests.
- **Customer success manager (CSM):** helps the customer achieve positive business outcomes, collaborates with the customer to identify success factors and goals, and builds mutually agreeable key performance indicators (KPIs) with the customer.
- **Renewal manager:** an offshoot of a CSM, this emerging role helps build the renewal strategy by collecting, communicating, and presenting information such as product usage, support, and service status.



## Account management and renewals, defined

Selling to business-to-business (B2B) buyers is becoming more challenging. Even before the COVID-19 pandemic, the trend was already moving toward fewer in-person sales calls, skeptical buyers who prefer not to deal with salespeople, accelerated digital adoption for both sellers and buyers, and increased scrutiny from all financial decision makers. You may also be faced with managing too many customers, resulting in important clients not getting the full attention they require, while others are entirely left behind.

For these reasons, without a strategy for account management, your stakeholders may lack accountability while your customers may be confused about who does what and who should take care of them. If your account management team isn't armed with the right training and skills to delve deeper into a customer's business, you may struggle to interact with enterprise buyers and decision makers, resulting in customer churn.

Creating a well-defined account management and renewal strategy can help you become a trusted advisor to help customers make complex purchases, get accurate and timely information, and make them feel confident in their purchase decision—at the time of purchase, and long afterward.

### **Account management vs. customer success management**

Account management has been around for quite some time, while customer success management is a relatively new discipline, driven primarily by the growth of the software-as-a-service (SaaS) industry.<sup>2</sup>

They both share the same goal—driving revenue for the business. But their roles as well as their approach to meet that goal are different. Customer success managers seek to help their clients achieve business goals and earn renewals, while account managers aim for upsells and cross-sells.<sup>2</sup>

While these two roles are distinct, and should remain so, they are complementary and should absolutely be considered in an effective sales organization.



# Build your foundational strategy

Sales organizations must constantly maintain a balance between focusing on short-term business or long-term account management. Short-term wins deliver a quick sense of accomplishment. But it's imperative to also concentrate on strategic account plan goals, such as maximizing customer lifetime value. To find the balance, think strategically about how you'll overcome your more persistent challenges.

Account managers must know customer needs, motivating factors, and business dynamics, including competition. Details like recent acquisitions, new hires, and expansions provide ideal opportunities to customize recommendations. But streamlining the information can prove challenging.

Similarly, data that's siloed among various systems makes it hard to discern customers' needs or the status of their service inquiries. Without this information, account managers and CSMs have trouble assessing the right time to bring up new purchases or pursue upsells, cross-sells, and renewals.

Finally, account and customer success managers focused on upselling and cross-selling need to shift their thinking—from “selling” to enabling customers to buy what they need. Being a trusted expert can help by providing value-added recommendations. According to Gartner, “Sales leaders have to find a way to equip sellers to make the most of the interactions reps do have with customers—leading high-value conversations that differentiate their offering from competitors and cutting through the plethora of information gathered online. These quality conversations enable reps to influence customer decisions and lead to bigger, better deals.”<sup>3</sup>

With these challenges in mind, here are the most important factors to consider in your account management and renewal strategy.

## 1. Appropriate level of support

Tier your customers by revenue, potential, industry, complexity, and geography so you know the number of resources you'll need to manage them. For customers with the highest revenue and growth potential, allocate the best and most account resources—along with your top subject matter experts' coverage based on industry and geography. Remember, key accounts don't necessarily have to be the most profitable right now, but have the most opportunity for growth and expansion in the future.

## 2. Account management team setup

Clearly define all sales roles within your organization, as well as resources available to dedicate to every account. Each will likely be compensated differently. Some companies have strategic account managers, account executives, and customer success managers, while others are lucky if they have one of those functions. Set clear expectations, benchmarks, and imperatives for each role, and make sure their KPIs align with customer outcomes.



## Build your foundational strategy

### 3. Compensation plans

Once sales roles are clearly defined, compensation plans will follow. Consider if the proper incentives are in place that emphasize account management and customer success. Are they clear and detailed? For example, if both sales and service manage the account, is it clear who gets paid when customers upgrade and renew? Having the details up front can help avoid conflict later on.

### 4. Key stakeholders within customer accounts

When all knowledge of a client lives with just one person on your team, it can be difficult for anyone else to contribute meaningfully to the relationship. Similarly, you don't want there to be only one person on the client team who understands the value of your partnership. While it's important for any manager to develop relationships with clients, take steps to ensure the relationship can continue even if that person leaves. Identify and nurture multiple relationships with key client stakeholders to increase longevity.

### 5. Technology to empower relationships

It often takes multiple teams and departments to service an account. A CRM can help provide a complete view of every customer engagement across all channels and all stakeholders—and its value can't be overstated. For example, Ferrari derives around 60% of its annual revenue from repeat customers—revenue that may not be possible without the connective power of CRM.<sup>4</sup> Forrester notes that the role of technology in account management and service is even more important since the start of the COVID-19 pandemic, with three key technology trends that warrant attention.

- Digital channels and AI technologies, which autonomously interact with customers and handle repetitive agent tasks, are expected to fuel the transformation in how businesses serve customers. Organizations must incorporate them into customer service operations and assess which services you can automate to determine the impact on operations.<sup>5</sup>

- Modern agent desktops enable trusted relationships. Customer insights, collaborative workspaces, agent guidance, and desktop automation reduce service professionals' workload and allow them to build better relationships with their customers.<sup>5</sup>
- Organizations must rethink the importance of resilience in account management and service, and the pandemic highlighted the importance of software-as-a-service technologies with rapid ROI. Customer service centers that modernize to improve agility will lead, while those that struggle to meet the demands of the altered economy will fall further, if not entirely, behind.<sup>5</sup>



# Six steps to get started with account management and renewals

## 01 **Allocate resources appropriately**

Identify your key accounts and tier customers based on revenue, complexity and geography. Some accounts may merit a strategic or key account manager, while others should receive standard support for customer success.

## 02 **Create an account customer satisfaction or health score for your key customers**

Doing so allows you to focus your plans on growing the right accounts first. This capability gives you the necessary groundwork to get more sophisticated with your approach as you create segments, incentives, and will improve forecast accuracy.

## 03 **Build an account plan**

Sales shouldn't have to guess their next move. Build a plan that articulates the customer's business strategy, initiatives, and goals, and identifies the competition, key executives, extended network, and any other important relationships.



## Six steps to get started with account management and renewals

### 04 **Build customer success KPIs with your customer**

Ensure those KPIs align with their business goals as well as your own. Collaborate with customers to measure success against KPIs to build consensus and trust. Continuously monitor and update customers on any progress and consider if you need a regular cadence for follow-ups and reviews. Think about the mechanisms required to receive frequent feedback and evaluation.

### 05 **Define clear goals with shared accountability and track your progress**

Update account plans dynamically based on performance and shifting priorities. Put processes in place to keep account plans continuously updated with customer data. Create common goals with the customer and monitor progress on a regular cadence.

### 06 **Augment and fortify your customer knowledge with all company data**

Include financial data, product usage, service tickets, surveys, and any sales, service, and marketing interactions between your team and customers. Everyone who engages with the customer requires full visibility and transparency into their relationships with the brand. Anything you need to know about your customer is data you want to have in real time.



# Reap the full benefits of account management and renewals

When the time comes, you now have the information you need to make a meaningful and productive change in your business. As you move forward, keep these key takeaways in mind.



## 1. Start with installed base

Make current customers your top priority. It's hard to overestimate the importance of selling effectively to existing customers compared to acquiring new ones.



## 2. Use all customer data

Connect data to drive renewal success. A common source of truth enables new opportunities, with real-time signals and triggers from across the organization to drive renewals. Equip the entire organization to become a renewal selling machine where each touchpoint communicates value to the customer and helps build relationships. You'll be able to more accurately forecast renewals, retention, and expansion success using the data you already have.



## 3. Make plans

Increase sales and renewals through smarter account management. Create account plans and leverage joint customer success strategies (jointly defined with the customer) with the installed base.



## 4. Create clear accountability

Account teams are tasked to provide service, solve problems, and make sure customers are happy while configuring complex solutions. Ensure that your account teams stay focused on their roles and provide periodic feedback to guide them.



## 5. Periodically review

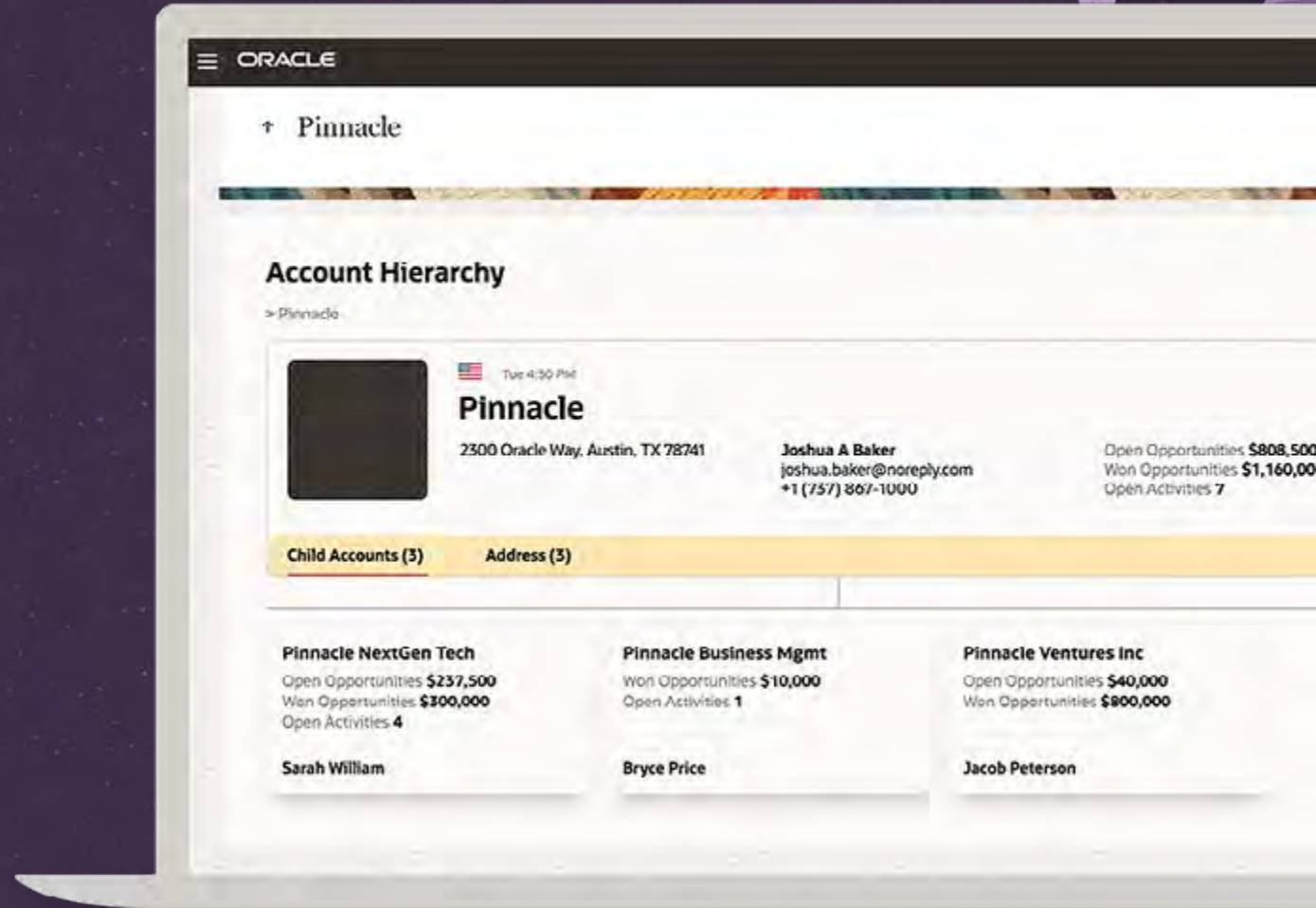
Consistently track and measure account performance. Establish a regular review period that evaluates account engagement to help prevent customers from falling through the cracks.



# Streamline account management and renewals with Oracle

Harness the power of account management and renewals and align your people, products, and services to help customers meet their needs, deliver value, and drive revenue.

[Want to know more?](#)



# To the experience-maker who's always moving forward

As modern customers seem to shape-shift from one moment to the next, it's critical to maintain pace with their expectations. To help, we created the Ignite series to fuel your continuous pursuit of customer experiences that always hit the mark.

Guides like this one on account management and renewal strategy aim to advance your expertise and help you craft foundational strategies in less time. So you can get back out there to captivate customers and drive revenue.

## What will you discover next?

- [Essential Strategies for Sales Performance Management](#)
- [Essential Strategies for Artificial Intelligence in Sales Force Automation](#)
- [Essential Strategies for Subscription Business Models in B2B](#)



## About Oracle Advertising and CX

Make every customer interaction matter by connecting all your business data across advertising, marketing, sales, commerce, and service. Oracle Advertising and Customer Experience (CX) is a connected suite of applications that goes beyond traditional CRM to help you create and nurture lasting customer relationships. Build a complete view of every interaction and every customer, no matter how and when they engage. Empower your entire business to deliver exceptional customer experiences—from acquisition to retention—and everything in between.

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