

# RESEARCH REPORT STRATEGIC PRIORITIES OF B2B CUSTOMER MANAGEMENT

Peter Lavers

October 2015



Attuning your business to proven practices of inter-dependent and multi-stakeholder B2B customer management that will deliver equitable shareholder value.

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## Executive Summary

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This report details the findings of the International Research exercise undertaken by Customer Attuned with its partners during the summer of 2015. Those familiar with the Customer Attuned Assessment (CAA<sup>®</sup>) model will know that its sub-sections have been arranged to give twelve “golden threads” of critical business-to-business (B2B) capability across knowledge, strategy, planning, implementation & results.

This research’s aim is to explore which of the 12 golden threads are of most strategic importance in different sectors. They are **ALL IMPORTANT**, but each business needs to decide which of them will be defining characteristics of **ITS OWN** corporate DNA. The online survey listed 12 “desired states” of B2B customer management that could describe a B2B business in 2018. Respondents were asked to prioritise them and answer one open-ended question as to why the top priority was chosen.

105 people responded, representing fifteen different sectors of B2B industry. Sincere thanks are extended to all participants.

The first section of the report reveals that at the overall level **Relationship & Value Building** (Farming) takes top priority. However, it is not an emphatic victory - it comes out on top because half the respondents rated it in their top 3.

**People & Competencies** is a strong second overall and **Brand & Proposition** completes the top three, underlining the vital importance of interpersonal skills and staff stability in offering and providing a compelling customer value proposition (CVP).

The two threads that relate to **acquisition** (hunting and market targeting) come next in the priority list - indeed they are top priority in some regions and sectors.

Key Account Management (KAM) and negotiating skills make up the mid-table. These are more sophisticated elements of customer management, suggesting that many B2B companies are still concentrating on getting the basics right.

The next four least prioritised golden threads relate to enablers, which are indeed less likely to be ‘definitive’ of a company. Category Management comes out as least important, which is understandable given that it is a specialist area with less relevance in some sectors.



When considering the priorities by sector, Farming is the top priority in only two of the five most populous, but it ranks in the top 3 of two others. People & Competencies is similarly consistently ranked in the top three, but thereafter a wider spread of priority emerges. Several sectors lead with an acquisition focus, and Manufacturing favours its approach to markets & sectors, possibly reflecting globalisation.

Some similarities and distinctions emerge across regions. UK/European B2B companies are much less customer acquisitive; the Americas aim to rely least on people but more on channels & categories to both hunt and farm; Africa/Middle East are the most focused on KAM and organising for customer centricity.

The larger B2B businesses are more people, retention and KAM focused than their smaller counterparts. This is reinforced with a higher priority for Organisational Design (OD).

The priorities by seniority in business show remarkable congruence across the top five, but with some evidence that seniors are looking to technology & channels for future solutions whereas those in management see the continuing importance of good account management.

The second section of this report considers each golden thread in priority order and considers the implications for businesses that choose to prioritise them as defining characteristics of their customer management strategy. Every thread has been rated as top priority by someone, so for each the variances by sector/region/size/seniority are considered; the distribution of rankings and verbatim comments are presented; and the CAA<sup>®</sup> benchmark scores are included (mean, top & bottom) to provide a real-world context of how B2B companies actually perform in their CM capabilities overall and by some key sectors.

The section shows that:

- Even the best companies are not doing everything perfectly, and that good practice is achievable in every golden thread
- B2B benchmarks in general are solid but with some significant variances by sector
- The range from lowest to highest score is more tightly packed in some threads
- With low scores below 15% in many threads, some companies are only just starting their journey towards customer-centricity



The major three conclusions from this report are:

1. The top three priority golden threads should all be seen as crucial for companies to be corporately competent at. There is a risk of a company being left behind if it fails to be at least on-par with good practice in these areas because B2B companies overall are strategically aiming to excel in them
2. The threats posed by competitors' acquisition strategies and activities (which are top priority in some sectors & regions) must be taken seriously and responded to accordingly. Strategically this means either bettering their strategies if acquisition is also your primary aim, or countering their targeting with excellent loyalty building capabilities. The numerous respondents who rated both hunting and farming in their top three will need to be incredibly well led, organised and measured to create a culture that is effective at both
3. Companies should consider their priorities and benchmarks for each golden thread and strategically decide where they need to be in each aspect of CM - below average; on-benchmark; upper quartile; or upper decile. Some may be inspired to beat the top scores quoted and establish clear competitive advantage in their sector. A table is included for each golden thread of the types of strategic objectives that B2B companies should set themselves depending on their existing capability levels and their desired position

Thus any B2B company can read this report and begin to develop its own strategy for customer management excellence over the next three years.

Every company will of course have different strategic aims and starting positions. Full CAA<sup>®</sup> capability and Deep-Relationship-NPS relationship quality assessments on your company would pinpoint where you are and desire to be on the matrix - and provide a route map of how to get there.

We trust that it will be a fruitful, profitable - and even enjoyable - journey!

Peter Lavers  
October 2015

# Introduction

This report documents the findings of the International Research exercise undertaken by Customer Attuned Ltd and its partners in the summer of 2015.

The sub-sections of the Customer Attuned Assessment (CAA<sup>®</sup>) model (Fig. 1) have been arranged to give twelve “golden threads” of critical business-to-business (B2B) capability across knowledge, strategy, planning, implementation & results.

The research explores which of the 12 golden threads are of most strategic importance in different sectors. They are **ALL IMPORTANT**, but each business needs to decide which of them will be defining characteristics of **ITS OWN** corporate DNA.



Figure 1- CAA<sup>®</sup> Model

The online survey was simple to complete. It asked some qualification questions (name, email, company, job title, industry, employee numbers & country) and then listed 12 “desired states” of B2B customer management (one per golden thread) that could describe your business in 2018. Respondents were asked to prioritise them by clicking and dragging them into priority order. Finally, it asked one open-ended question as to why your top priority choice is so crucial.

The CAA<sup>®</sup> model describes the business system of business-to-business (B2B) customer management (CM), based on three vital underpinning drivers of success in B2B - Trust, Interdependence & Equitability. It breaks down into a virtuous circle of:

- Knowledge
- Strategy
- Planning
- Implementation
- Results



Working on three levels:

- Operating in and developing your market
- Managing account relationships
- Organising resources and operations

The 12 golden threads are summarised in Table 1:

Operating in and developing your market	Managing account relationships	Organising resources and operations
Target Markets and Sectors	Hunting New Business	Organisational Design
Brand and Proposition	Negotiating and Selling	People and Competencies
Category Management	Relationship and Value Building (Farming)	Ways of Working
Channel Management	Key Account Management	Information and Technology
<i>Table 1 - The Golden Threads of B2B Customer Management</i>		

The eBook “12 Golden Threads of B2B Customer Management” by the same author explains each thread in more detail and is available from [www.customerattuned.com/publications](http://www.customerattuned.com/publications).

The first section of the report presents the priorities overall and by sector, region, size of business & seniority in business.

The second section considers each golden thread in priority order and considers the implications for businesses that choose to prioritise them as defining characteristics of their customer management strategy.



## Section 1: Overall Results

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The research was targeted by Customer Attuned Ltd and its Partners to senior professionals who impact or influence customer management (CM) in companies or business units that are B2B.

105 such people responded, and sincere thanks are extended to all participants.

An impressive 90% of respondents waived their anonymity, confirming contribution from many blue chip B2B organisations across the world.

The breakdowns by sector, region, business size and seniority in business are presented below.

### Overall Strategic Priorities

The main aim of this research is to explore which of the 12 golden threads are of most strategic importance.

It asked respondents to prioritise twelve “desired states” of B2B customer management (one per golden thread) that could describe their business in 2018.

It is important to stress again that they are **ALL IMPORTANT!** Every B2B company needs to have a level of competence in each aspect of the way it manages its customers.

However, they are not of equal importance to every B2B organisation. They will differ in importance depending on the company’s strategy, sector, culture and routes to market.

Each business therefore needs to decide which of them will be defining characteristics of **ITS OWN** corporate DNA.

The overall priorities from the research of each desired state are presented in Table 2.



This will describe you by 2018	<i>Table 2 - Overall Priorities</i>
1	<b>Relationship &amp; Value Building (Farming).</b> Our business is primarily sustained by developing long term customer relationships, which are deep and broad. Every interaction is an opportunity to up/cross-sell or deepen relationships.
2	<b>People &amp; Competencies.</b> Our people are a key competitive advantage, consistently living the customer culture with high levels of knowledge, skill and attitude. We hire for attitude and attract, develop and retain the best.
3	<b>Brand &amp; Proposition.</b> Our brand personality is clearly defined and we are excellent at marketing it. Propositions are hard-nosed promises not vacuous “we’ll try to” statements, and staff are clear on whom and how to deliver them to.
4	<b>Hunting New Business.</b> Market share growth is the key driver in our business. Our pipeline is quality-managed and the front line is organised for new business development. We celebrate wins and learn from unsuccessful bids.
5	<b>Target Market &amp; Sectors.</b> We drive competitive advantage through our expertise in the markets and sectors that we choose to target & develop. We are disciplined about not spending time and effort on off-target opportunities.
6	<b>Key Account Management.</b> Key Accounts are strategically important to our business. Dedicated teams, joint business plans, contact strategies and relationship quality assessments ensure high levels of co-working & shared values.
7	<b>Negotiating &amp; Selling.</b> We negotiate hard but fairly and use insight to never lose a bid from poor preparation or win a bid that turns out unprofitable. Our staff are trusted advisors as well as technical experts.
8	<b>Organisational Design.</b> We are a customer-centric organisation with innovation, flexibility and entrepreneurialism in our DNA. We never allow internal silos, power bases or politics obstruct our excellent customer experience.
9	<b>Channel Management.</b> We monitor and optimise channels & media to grasp opportunities for quicker/better/cheaper ways to sell/service our propositions. Intermediaries & brokers rate us highly as preferred partners.
10	<b>Ways of Working.</b> We have clearly defined <u>our</u> way of doing things to continuously make it easier and cheaper to do business with us. Efficient and up-to-date processes ensure operational excellence and a ‘personal touch’.
11	<b>Information &amp; Technology.</b> Leading-edge technology is core to our proposition and we practice what we preach through pioneering IT and passion for customer data quality.
12	<b>Category Management.</b> An insight-driven product or end user-defined category perspective is employed that focuses on understanding, targeting and developing each category as a market in its own right.



At the overall level we see that customer loyalty is king in B2B.

The analysis in Section 2 will show, however, that this is not an emphatic victory. Relationship & Value Building (Farming) comes out overall on top because it is in the top 3 of 50% of respondents. It actually comes 2<sup>nd</sup> behind Brand & Proposition as the thread rated as no. 1 priority by individuals, but is dragged down because only 35% included it in their top 3.

People & Competencies is a strong second, underlining the vital importance of interpersonal skills and staff stability in B2B.

Brand & Proposition completes the top 3 and shows that overall B2B companies are strategically aiming to excel in loyalty management, staff development and CVP (customer value proposition) development.

The two golden threads that relate to acquisition (hunting and market targeting) come next in the priority list - indeed they are top priority in some regions and sectors. B2B companies must therefore consider the threats posed by competitors' acquisition activities and respond accordingly.

Key Account Management (KAM) and negotiating skills make up the mid-table. These are more sophisticated elements of customer management, suggesting that many B2B companies are still concentrating on getting the basics right.

The next four least prioritised golden threads relate to enablers, which are indeed less likely to be 'definitive' of a company - although please note EVERY golden thread was rated as top priority by some respondents.

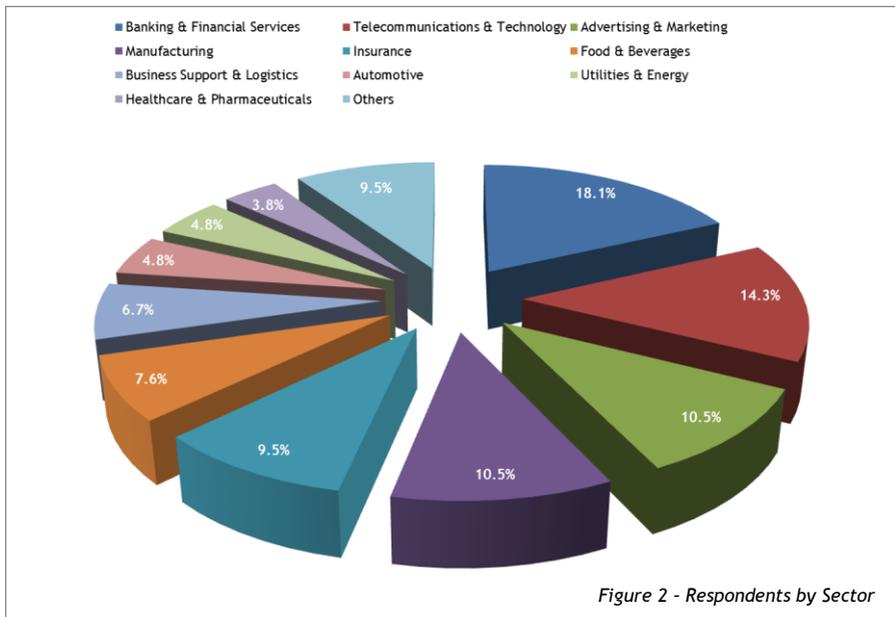
Category Management comes out as least important, which is understandable given that it is a specialist area with less relevance in some sectors.

Overall ratings are of headline value, but are they consistent across sectors and regions?

## Strategic Priorities by Sector

Respondents to the survey represent fifteen different sectors of B2B industry, confirming that the results reflect the diversity of businesses that operate this business model.

Fig. 2 shows the distribution of the 10 most populous sectors, the 'Others' being Non-profit, Retail & Consumer Durables, Education, Public Sector, and Construction & Homes.



It shows a good spread across sectors, meaning that results are not overly skewed towards one particular operating model.

This spread inevitably means that sample sizes become small, so the strategic prioritisation of the five most populous sectors are presented in Table 3.



Overall rank	Banking & FS	Telco & Tech	Adv & Mktg	Manuf	Insurance
1 Relationship & Value Building (Farming)	1	3	1	3=	4=
2 People and Competencies	2	2	4	3=	1
3 Brand and Proposition	7	9	3	6	2
4 Hunting New Business	5	1	2	2	6
5 Target Markets & Sectors	6	6	5	1	4=
6 Key Account Management	3	5	6	8	10
7 Negotiating & Selling	11	4	7	7	3
8 Organisational Design	4	7	11	5	8
9 Channel Management	10	11	8	12	7
10 Ways of Working	8	10	10	9	9
11 Information & Technology	9	7	9	11	12
12 Category Management	12	12	12	10	10

Table 3 - Strategic Priorities by Sector

It is immediately clear that Farming is only the top priority in two of these five sectors, but that it ranks in the top 3 of two others. People & Competencies is similarly consistently ranked in the top 3, but thereafter a wider spread of priority emerges.



In Banking & Financial Services KAM and Organisational Design (OD) are escalated at the expense of Brand & Proposition and Negotiating & Selling.

Brand & Proposition is relegated to 9<sup>th</sup> in Telecommunications & Technology, where Hunting and Selling are prized. Even here, though, People and Farming remain top three. Perhaps unsurprisingly, IT also rates higher.

Advertising & Marketing is the most closely aligned to the overall ranking, with only one (OD) varying by 3 places from the norm. Hunting and People swap places in this sector's priorities, which along with the low OD and Ways of Working (WoW) placings makes this the least people focused sector.

Perhaps surprisingly, Manufacturing leads with an acquisition focus, possibly reflecting globalisation, yet retains the overall top two priorities as equal third. As a sector, manufacturing believes its OD is vital, but channel management is seen as of least importance.

The Insurance sector has a distinct profile of priorities. People, Brand and Negotiating have their highest rankings. Channel Management is of particular importance and KAM registers its lowest placing in the list - perhaps reflecting the levels of commoditisation in this sector?

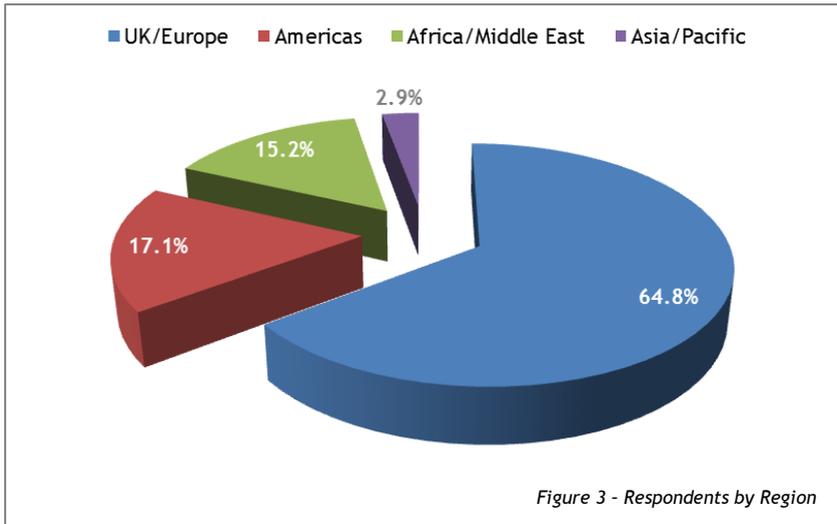
## Strategic Priorities by Region

Responses were received from across the globe, but not in sufficient numbers to make the results truly representative of a global view.

Fig. 3 gives the breakdowns by region and it is apparent that Asia Pacific is effectively unrepresented in the sample. This unresponsiveness perhaps reflects the economic instability that emanated from China during the fieldwork and is not a reflection of a lack of trying on the part of Customer Attuned and its Partners. Perhaps this region is suffering from being over-surveyed?!

Decent responses were received from other regions, but the sample does have a UK/European bias, which must be born in mind when considering the findings. This has only minor significance in Section 2, however, as each golden thread is considered separately with commentary for whichever way it is ranked.

The strategic prioritisation by regions is presented in Table 4.



Overall rank	UK/ Europe	Americas	Af/ME
1 Relationship & Value Building (Farming)	1	2	1
2 People and Competencies	2	6	4
3 Brand and Proposition	3	5	5=
4 Hunting New Business	6	1	2
5 Target Markets & Sectors	4	4	8
6 Key Account Management	5	7	3
7 Negotiating & Selling	8	3	12
8 Organisational Design	7	11	5=
9 Channel Management	10	8	7
10 Ways of Working	9	12	9
11 Information & Technology	11	10	10
12 Category Management	12	9	11

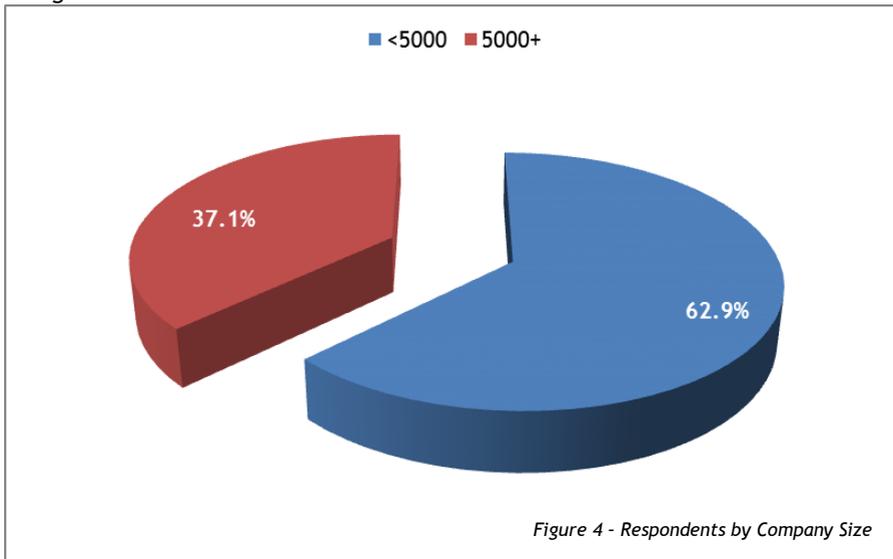
Table 4 - Strategic Priorities by Region

Notwithstanding the varying sample sizes, it is clear that some similarities and distinctions emerge across regions.

- Farming is consistently top 1 or 2 priority
- UK/European B2B companies appear to be much less customer acquisitive than the rest of the world
- The Americas aim to rely least on their people; more on channels & categories
- Africa/Middle East are the most focused on KAM; least on negotiating

## Strategic Priorities by Size of Business

The sample has been split for analysis purposes between companies of under and over 5000 employees. These both deliver good samples, with a split as illustrated in Fig 4:



The strategic prioritisation by company size is presented in Table 5.



Overall rank	<5000	5000+
1 Relationship & Value Building (Farming)	1	2
2 People and Competencies	3	1
3 Brand and Proposition	2	5
4 Hunting New Business	5	4
5 Target Markets & Sectors	4	7
6 Key Account Management	6	3
7 Negotiating & Selling	7	8
8 Organisational Design	8	6
9 Channel Management	9	8
10 Ways of Working	10	10
11 Information & Technology	11	11
12 Category Management	12	12

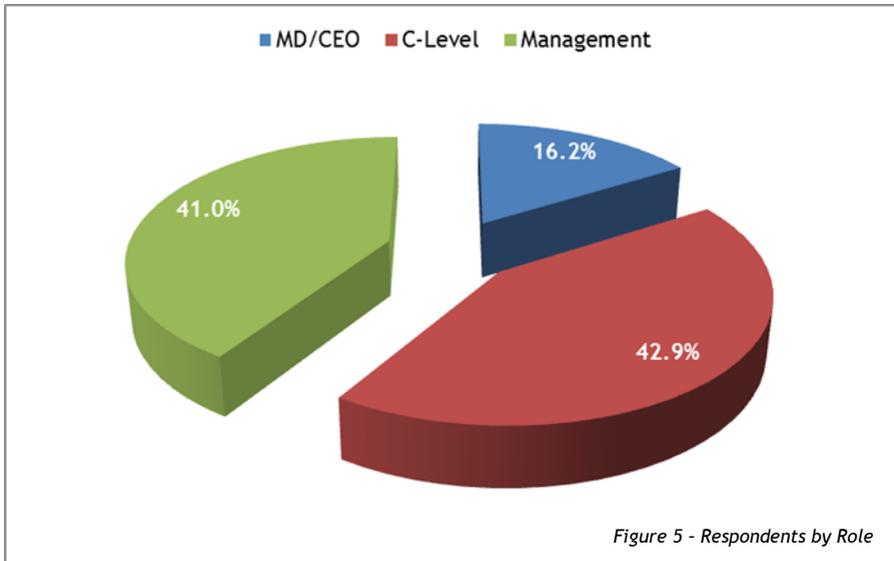
*Table 5 - Strategic Priorities by Business Size*

It is interesting to note that larger B2B businesses are more people, retention and KAM focused than their smaller counterparts. This is reinforced with the higher priority of OD.

Larger companies have less strategic aspiration regarding Target Markets & Sectors, and aim for a lesser reliance on Brand & Proposition - perhaps as they are better established?

## Strategic Priorities by Seniority in Business

A good representation of response was elicited across levels of seniority:



Their strategic prioritisation is presented in Table 6.



Overall rank	MD/CEO	C-Level	Mgt
1 Relationship & Value Building (Farming)	1	1	1
2 People and Competencies	2=	4	2
3 Brand and Proposition	2=	3	4
4 Hunting New Business	4=	2	7
5 Target Markets & Sectors	4=	5	5
6 Key Account Management	11	6	3
7 Negotiating & Selling	7	7	8
8 Organisational Design	10	8	6
9 Channel Management	6	9	9
10 Ways of Working	9	10	10
11 Information & Technology	8	12	11
12 Category Management	12	11	12
<i>Table 6 - Strategic Priorities by Seniority</i>			

These three groups show remarkable congruence across the top 5 priorities despite different sample sizes and imperfect representation across sectors, regions and size of company.

KAM has the widest disparity across groups, followed by IT - could it be the case that seniors are looking to technology for future solutions whereas those in management see the continuing importance of good old-fashioned account management?

The strategic significance of channel management is also more highly ranked among MD's & CEOs.



## Section 2: Results by Golden Thread

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In this Section we will now consider each golden thread in turn, in overall priority order. Every thread has been rated as top priority by someone, so for each we will:

- Briefly describe what it covers and its defining characteristics
- Consider the variances of its placing by sector/region/size/seniority
- Present a graph of its distribution of priority rankings
- Share the comments of respondents who rated this thread as top priority. These have been translated & edited somewhat for brevity, and are included in full because they contain great insights into why each thread is important
- Consider the CAA<sup>®</sup> benchmark capability scores and comment upon what would need addressing to improve

### Priority 1: Relationship & Value Building (Farming)

This golden thread covers all things that relate to retention, loyalty and account profitability building.

A company that has farming as a defining characteristic of its corporate DNA:

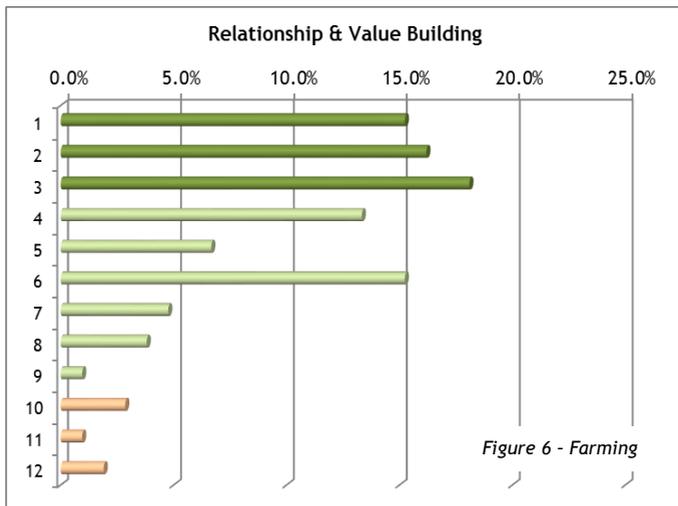
- Sustains its business primarily through the development of long term value-enhancing customer relationships based on trust, interdependence and equitability
- Directs its primary focus, CM strategy, resource and investment toward holding and growing the value of the existing client base
- Has depth and breadth of contact & relationship within customers' organisations
- Has customers who know that it is in it for the long term and view the company as suppliers/partners of choice in their field of expertise
- Regularly reviews relationship quality to ensure that it stays attuned with those customers
- Sees every interaction as an opportunity to up sell, cross sell or deepen the relationship

The priority ranking by sector, region, business size and seniority are presented in Table 7. It shows a remarkably consistent top 3 placing in every breakdown except one (Insurance).

1 Relationship & Value Building (Farming)			
Sector	Priority	Region	Priority
Banking & Financial Services	1	UK/Europe	1
Telecommunications & Technology	3	Americas	2
Advertising & Marketing	1	Africa/Middle East	1
Manufacturing	3		
Insurance	4	<b>Seniority</b>	<b>Priority</b>
<b>Size</b>	<b>Priority</b>	MD/CEO	1
<5000	1	C-Level	1
5000+	2	Management	1

*Table 7 - Farming*

The distribution of the way Farming was ranked by respondents is shown in Fig 6.





It shows that:

- 15% rated Farming as number one priority, which is the second highest rating after Brand & Proposition (20%)
- 50% included it in their top three priorities - by far the largest proportion - this is the reason why Farming comes out on top overall
- The vast majority of respondents (85%) prioritised it into their top six

The respondents who rated Farming as top priority commented as follows:

- *Links closely to our strategy of building deep and enduring relationships - we've chosen this as our differentiator. It's the basis for which we'd like to be known; our reputation would ideally be driven by this (Banking, South Africa)*
- *We differentiate ourselves through our sustained commitment to client focused relationship management, and have done so now for 45 years+, with a global focus for 41 of those years. We work to the mantra that if we are able to help our clients succeed in their (increasingly global) businesses, then we will succeed in ours. Consequently we ensure that we understand our client's business agenda, goals and priorities and use this to drive our internal agenda in response (Banking, global)*
- *Long term relationships are extremely important as our growth and success is very much aligned with our retention rate (SaaS, Benelux)*
- *Our Business Model is such that that lead in time from first prospect meeting to Letter of Intent can be up to two years. It can then require a further two years to implement the new services & create the income stream. Thus it is vital for us to renew existing relationships and maximise up-sell/new service opportunities (FS, Ireland)*
- *We aim to work with customers over the life time of their commercial vehicle - well beyond the initial sell; understanding their business needs & priorities so that we can better support them (Auto, UK)*
- *Customer retention is important as we get paid by prescriptions for the service we provide. Prescription value is expected to reduce in future years (Pharma, UK)*
- *Customer relationships developed over years of face-to-face meetings means our products are top-the-pile when the customer comes to planning their media spend for the year ahead. We are people to our clients; not a faceless email (Publishing, UK)*



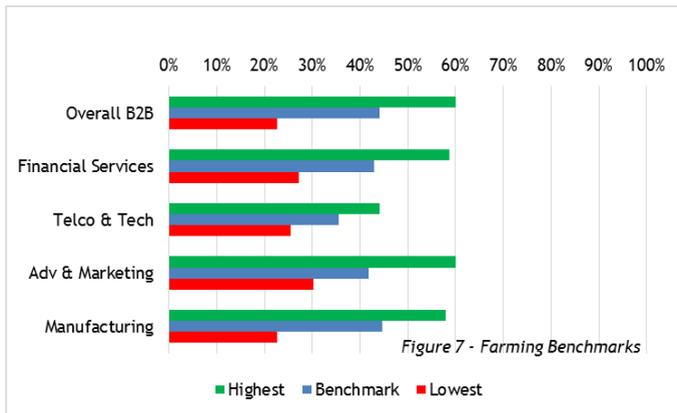
- *Advocacy & recommendation are fundamental to growth (Mktg, EMEA)*
- *Deep client relationships result in collaboration and the opportunity to grow and drive benefit in a win-win manner. The deep relationship results in sustainable business - travel the journey together. Success in this space will result in word of mouth, references, networks and sustainable market growth (Banking, South Africa)*
- *Our business is based on years of trading and existing customer relationships are long term (e.g. Coca-Cola client for 15 yrs). It is vital that we hold those relationships above all else (Mktg, UK)*
- *Face-to-face connection with our clients is crucial (Auto, Spain)*
- *We have a small volume of high value sales. Repeat business represents a significant saving of marketing, sales & transactional costs of finding and contracting with new customers (Energy, UK)*
- *We only have two customers (Government Depts). If our relationship with them is not good then we have many additional costs & oversight issues (Public Sector, UK)*
- *Given the propensity for a small number of large, influential, and profitable customers dictating the fortunes of the business, then the investment behind customer connectivity & interweaving strategies becomes a clear priority. Shareholders are looking for solid outlook performance over the mid to longer term, and therefore a strength of relationship & value building is a pivotal anchor towards credibility in this area (Consumer Durables, UK)*

Having established that Farming is the top priority overall, we shall now consider how B2B companies actually perform in their loyalty & retention capabilities. For this we refer to the CAA<sup>®</sup> benchmark database, which contains the scores from capability assessments conducted around the world in many sectors.

CAA<sup>®</sup> scoring works by expert assessors looking for real evidence of each individual B2B customer management capability that's required for each golden thread to be effective. They're not trying to pick holes or find fault, but aim to accredit the good practices (and plans) in place in the organisation being assessed. Every capability is weighted according to its impact on trust, interdependence and/or equitability, and scored on a scale of 0 = "no evidence seen of even a plan to do this" to 100 = "fully implemented, having significant effect and accurately measured".

Unsurprisingly, nobody has ever scored 100%! The coming pages will show that indeed nobody needs to score 100% to be best practice in B2B customer management. In general, anything over 40% is a ‘good’ score.

Fig. 7 shows the highest, lowest and mean (benchmark) capability scores for B2B overall and some key sectors.



It shows that even the best companies are not doing everything perfectly when it comes to relationship and value building - the highest score ever achieved is only 60%.

The overall B2B benchmark at 44% represents solid performance and only dips in the Telco & Tech sector. The range from lowest to highest score is the shortest of any of the golden threads, indicating that there’s a tight pack of CM performers with few that are too far ahead or behind.

The lowest scores registered for this golden thread are actually the “least weak” base-levels compared with the other eleven, confirming that everyone in the sector is addressing their need to be better Farmers.

These benchmarks should be of some comfort to the companies that have placed Farming in their top priorities, as they’re very achievable. Some organisations may be inspired to beat the top score and make loyalty management a clear competitive advantage (especially Telco or Technology companies).



The companies that have placed Farming as 1<sup>st</sup> priority should thus aim to match or exceed the overall top score. Those with it in their top three priorities should be strategically aiming for an upper quartile - or even upper decile - CAA® score.

All other companies should be aiming to be at least benchmark performers in this crucial aspect of B2B customer management - otherwise those that have prioritised Hunting will be gunning for your best customers!

Table 8 illustrates the types of strategic objectives that B2B companies should have depending on their existing and desired capability levels.

Strategic Objectives - Farming			Table 8
Appetite Current Capability	Benchmark*	Upper Quartile*	Best (Top Decile*)
Performer	<ul style="list-style-type: none"> <li>Hold position &amp; invest benefits into other strategic priorities</li> </ul>	<ul style="list-style-type: none"> <li>Recognise &amp; reward loyalty</li> <li>Ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Pain &amp; gain points</li> <li>Interdependence &amp; Equitability Strategy</li> <li>Sub-segmentation</li> </ul>
Moderate	<ul style="list-style-type: none"> <li>Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Current &amp; potential profitability/LTV</li> <li>Track all interactions</li> </ul>	<ul style="list-style-type: none"> <li>Physical &amp; emotional CX Strategy</li> <li>Functions involved in account planning</li> </ul>
Beginner	<ul style="list-style-type: none"> <li>Simple loyalty analytics</li> <li>Create CM vision</li> <li>Contact plans</li> <li>SLA compliance</li> <li>Measure retention</li> </ul>	<ul style="list-style-type: none"> <li>Needs mapping</li> <li>Trust strategy</li> <li>Simple segmentation</li> <li>Stakeholder plans</li> <li>Periodic behaviour planning</li> <li>New customer welcoming</li> <li>Staff empowerment to handle queries</li> <li>Intensive care teams</li> <li>Relationship quality assessment</li> <li>Customers value account manager's time</li> </ul>	<ul style="list-style-type: none"> <li>Mitigation plans</li> <li>Respect &amp; trust is basis for all dealings &amp; insight sharing</li> <li>Contact variation by value/need</li> <li>Transaction pattern triggering</li> <li>Customer Value Management</li> <li>Measures that demonstrate contribution to customer success</li> </ul>

\* These terms relate to statistical terms commonly used in benchmarking. Upper quartile means to achieve a CAA® score that would place your company in the top 25% of all businesses assessed; top decile would place you in the top 10%; benchmark typically means +/- 2.5% from the average score.



Every company will of course be different and full CAA<sup>®</sup> capability and Deep-Relationship-NPS relationship quality assessments on your company would pinpoint where you are and desire to be on the matrix - and provide a route map of how to get there.

## Priority 2: People & Competencies

This golden thread covers your human assets. A company that has its people as a defining characteristic of its corporate DNA:

- Sees them as a key competitive advantage
- Consistently ‘lives’ its customer culture
- Demonstrates high levels of knowledge, skill and attitude
- Has customer management professionals with both broad-based commercial skills and technical expertise
- Invests in its people to stay ahead of the competition
- Hires for attitude as well as technical skill
- Has no trouble attracting and retaining the best
- Uses a customer-focused competency framework for staff development

The priority ranking by sector, region, business size and seniority are presented in Table 9. It shows a range in ranking of 1<sup>st</sup> to 6<sup>th</sup> across all sub-sets, with the Americas being the only discordant result.

2 People & Competencies			
Sector	Priority	Region	Priority
Banking & Financial Services	2	UK/Europe	2
Telecommunications & Technology	2	Americas	6
Advertising & Marketing	4	Africa/Middle East	4
Manufacturing	3		
Insurance	1	<b>Seniority</b>	<b>Priority</b>
<b>Size</b>	<b>Priority</b>	MD/CEO	2
<5000	3	C-Level	4
5000+	1	Management	2

*Table 9 - People*

The distribution of the way it was ranked by respondents is shown in Fig 8.

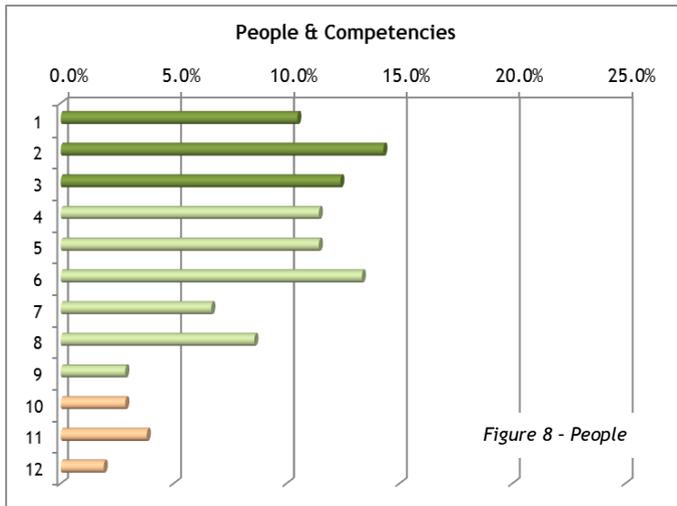


Figure 8 - People

It shows that:

- Only 10% rated it as number one priority
- It is because 37% included it in their top three priorities (2<sup>nd</sup> highest proportion) that People & Competencies came out overall second
- Similarly, with 73% prioritising it into their top six (also 2<sup>nd</sup> highest), the foundational importance of people to good B2B customer management is confirmed

The respondents who rated this thread as top priority commented as follows:

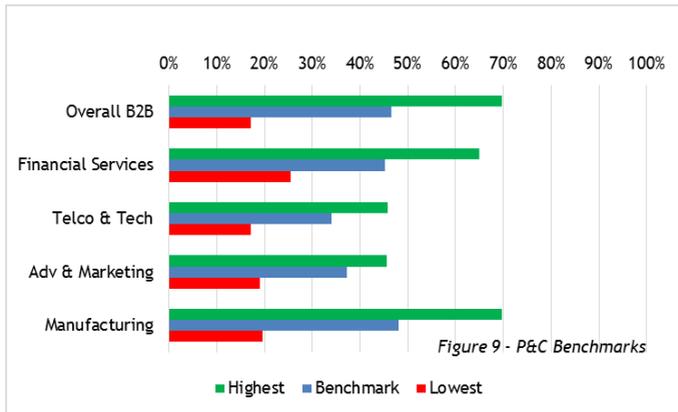
- *Our business is about people selling to people by offering insights to ensure that customers look at their unconsidered needs and thus simplify the purchase and on-boarding process (Banking, Canada)*
- *People are key for succeeding in business, if you don't have the right people everything else does not matter (Insurance, Scandinavia)*
- *People can be the difference between success and failure. As we focus more on relationships and co-creation of value the skills and capabilities of our people will be the difference (Manufacturing, UK)*
- *It is our conviction that our people make and sustain competitive advantage over time (Construction, Chile)*



- *Our market is multi-banked with competitors having similar messaging around being client centric with IT-enabled solutions. The actual client experience is a big differentiator - the quality of listening, understanding needs and evolving solutions in customer engagements requires knowledge, patience and team work to exceed expectations. That requires the right attitude (Banking, South Africa)*
- *The expertise and credibility of our team is critical to success and their ability defines our product and service (Logistics, UK)*
- *It is well accepted that excellent customer satisfaction cannot, just cannot, be delivered unless employees are happy, emotionally engaged, knowledge empowered and willing to put in discretionary effort to deliver the company's commitments (Non-profit, India)*
- *Without the right people, nothing happens (Manufacturing, UK)*
- *Great people are totally central to success & breeding the right culture (Consumer Durables, UK)*
- *Our team is crucial to the success of our company because we're in a people business. It's extremely important to have passionate believers in the team who go through great lengths to deliver (SaaS, Benelux)*
- *If we don't have the right people with the right skills, drive and competencies then whatever else we do will be lost. It's people that make our business, and the business of our customers (Telco, UK)*

Fig. 9 shows how B2B companies actually perform in their People & Competencies management capability. It presents the highest, lowest and mean scores from the CAA<sup>®</sup> benchmark database for B2B overall and some key sectors. It shows:

- A best-ever score of 70%, which is an attainable target
- Two sectors well behind, where improvement just to the overall benchmark position would make companies effective leaders in their sector
- This golden thread has the highest overall benchmark score of all (47%) despite weakness in some sectors. This underlines the need not to get left behind in good people management practices, as some are evidently doing - only Financial Services has a lowest score over 25%



Those companies that have placed People in their top three priorities (37%) should be strategically aiming for a CAA<sup>®</sup> score close to the best-ever position for their sector - and close to the overall top score for the 10% who gave it 1<sup>st</sup> priority.

All other companies should be aiming to be at least benchmark performers - your people design, deliver and support your customer experience!

Table 10 illustrates the types of strategic objectives that B2B companies should have depending on their existing & desired capability levels.

CAA<sup>®</sup> capability and Deep-Relationship-NPS assessments would pinpoint your position on the matrix.



Strategic Objectives - People				Table 10
Appetite Current Capability	Benchmark*	Upper Quartile*	Best (Top Decile*)	
<b>Performer</b>	<ul style="list-style-type: none"> <li>Hold position &amp; invest benefits into other strategic priorities</li> </ul>	<ul style="list-style-type: none"> <li>Recognise, reward &amp; keep best people</li> <li>Ensure that you don't fall behind vs. sector</li> </ul>	<ul style="list-style-type: none"> <li>Manage all information access</li> <li>Symbols of change utilised &amp; reinforce on-culture behaviour</li> <li>Broad business managers developed rather than product experts</li> <li>High performance behaviours</li> <li>Training on Trust, Interdependence &amp; Equitability</li> <li>Interpersonal style training</li> <li>Culture assessed vs. behaviours</li> <li>Underperforming staff supported; sensitively managed out if required</li> <li>Pay &amp; benefits linked to CM performance</li> </ul>	
<b>Moderate</b>	<ul style="list-style-type: none"> <li>Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Define the customer culture - attitudes &amp; behaviours</li> </ul>		
<b>Beginner</b>	<ul style="list-style-type: none"> <li>Map what knowledge is needed for CM roles</li> <li>Ensure against 'tribal wisdom'</li> <li>Senior management take clear lead in CM</li> <li>Common approach to competency assessment &amp; development</li> <li>Customer-facing staff fully understanding the proposition</li> </ul>	<ul style="list-style-type: none"> <li>Cascade CM objectives down the organisation</li> <li>Job descriptions with customer-oriented competencies</li> <li>Competency profile database for all staff</li> <li>CM drives staff recruitment, dev't, reward, recognition &amp; succession</li> <li>Coaching is part of CM culture</li> <li>Honest measure of how effectively staff feel they are being led</li> </ul>		

\* Upper quartile = a CAA® score in the top 25% of all businesses assessed; top decile = top 10%; benchmark = +/- 2.5% from average.



## Priority 3: Brand & Proposition

This golden thread addresses the messages, offers and promises that you communicate to customers. A company that has brand & CVP management as a defining characteristic of its corporate DNA:

- Has clearly defined its brand personality and is excellent at marketing itself above and below the line in its target markets
- Punches above its weight in terms of brand awareness and reputation for trustworthiness, working relationship and value
- Has developed very clear needs-based propositions for their customer experience, products and service. These will vary by customer value, with higher levels of individual tailoring and seniority of account management for the highest value/potential (i.e. key) accounts
- Has hard-nosed propositions that are promises that are kept, not vacuous “we’ll try to” statements
- Has staff who are clear on how to deliver these differentiated propositions effectively, whilst still providing a good basic level of service to all

The priority ranking by sector, region, business size and seniority are presented in Table 11.

3 Brand & Proposition			
Sector	Priority	Region	Priority
Banking & Financial Services	7	UK/Europe	3
Telecommunications & Technology	9	Americas	5
Advertising & Marketing	3	Africa/Middle East	5
Manufacturing	6		
Insurance	2		
Size	Priority	Seniority	Priority
<5000	2	MD/CEO	2
5000+	5	C-Level	3
		Management	4

Table 11 - Brand & CVP

The distribution of the way this golden thread was ranked by respondents is shown in Fig 10.

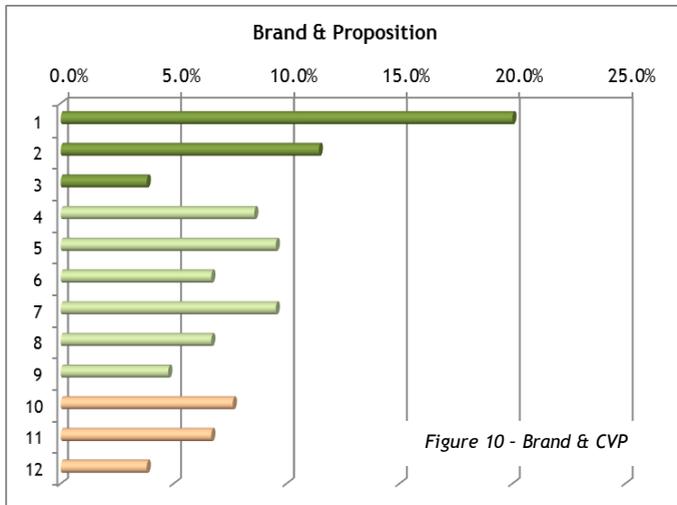


Figure 10 - Brand & CVP

It shows that:

- 20% rated it as number one priority, making Brand & Proposition the largest top-ranked golden threads in absolute terms
- Its third overall ranking is explained by the more even distribution of ratings lower down the scale. Only 35% included it in their top three priorities whereas 18% prioritised it into their bottom three

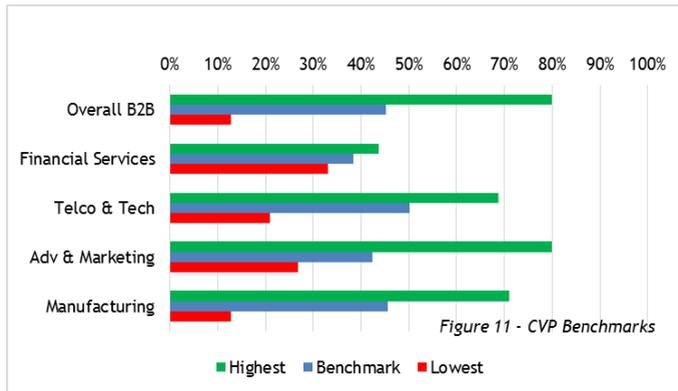
The respondents who rated this thread as top priority commented as follows:

- *We are in the process of re-defining our proposition and making it more customer-centric. Having been product-led for decades, we have to deliver what customers want, not what we want to supply (Auto, UK)*
- *Our CVP is our competitive advantage. Anyone can have an excellent product but convincing consumers/customers to have it in their repertoire is the challenge! (Food & Beverages, Netherlands)*
- *We are a market disruptor with a unique proposition that naturally appeals. In a market which is stagnant and dominated by 2 key players the onus has to be on building brand awareness and credibility, but the proof of the pudding is in new business and retention (Insurance, UK)*



- *Without knowing what are our core values and proposition it is almost impossible to create the right culture & structure, and know where you want to go (Technology, pan-Europe)*
- *As service providers, our competitive advantage is quite intangible. Establishing a unique CVP is undoubtedly our goal because of the lasting impression it creates (Business Support, Canada)*
- *The companies that win in our sector are those that have a strong brand (inspiring confidence & trust); solutions that address the needs of our audience; and good people. Everything else is 'process' (Marketing, UK)*
- *We are looking to grow aggressively in a new sector and need to be clear who we are targeting and through which channels. Prospects need to see us as not just a Life company (Insurance, UK)*
- *We are a premium brand with premium price position, sold through a premium channel. We must maintain this (Automotive, EMEA)*
- *We are focused on being number one in our sector and have brand dominance (Manufacturing, pan-Europe)*
- *We must clearly articulate our promise to attract new business - ideally via referral and so minimise costly hunting for sales (Marketing, UK)*
- *Our brand personality and proposition are vital both for seeking new members and retaining existing members. (Non-profit, global)*
- *Brand and proposition are important to drive the right market perceptions, understand client expectations and deliver to the right target market using our stretched resources (Banking, South Africa)*
- *Without absolute clarity on what impact our CVP has on shoppers, consumers and customers we will not win in the market. It all starts with our brand proposition (Food & Beverages, UK)*
- *Brand and proposition are at the core of our success - the way we are organised and the processes/practices we put in place to consistently deliver the client experience that we promise (Banking, South Africa)*
- *Brand preference for us is emotional and driven by brand equity (Food & Beverages, Italy)*

Fig. 11 shows how B2B companies actually perform in their Brand & Proposition management capability. It presents the highest, lowest and mean scores from the CAA<sup>®</sup> benchmark database for B2B overall and some key sectors.



It shows:

- A high of 80% with three sectors particularly strong in this respect
- Financial Services well behind in top score, but with a very small range and a lowest score that would be a sound performance in other sectors. This may suggest that B2B is the “poor relation” vs. the B2C operation in brand & proposition development in this sector?
- Solid benchmark scores (38% - 50%) across sectors, which would make sensible targets for companies finding themselves below par in this aspect of B2B customer management

The 20% of respondents that placed Brand & CVP as 1<sup>st</sup> priority should be strategically aiming for a CAA<sup>®</sup> score close to the overall top score. Those who placed it in their top three priorities should aim to be close to the sector-best position.

All other companies should be aiming to be at least benchmark performers and the benchmarks indicate that this will be no mean feat for some organisations (especially Manufacturing).

Table 12 illustrates the types of strategic objectives that B2B companies should have depending on their existing & desired capability levels. CAA<sup>®</sup> capability and Deep-Relationship-NPS assessments would pinpoint your position on the matrix.



Strategic Objectives - Brand & CVP				Table 12
Appetite Current Capability	Benchmark*	Upper Quartile*	Best (Top Decile*)	
<b>Performer</b>	<ul style="list-style-type: none"> <li>Hold position &amp; invest benefits into other strategic priorities</li> </ul>	<ul style="list-style-type: none"> <li>Aggressively promote your brand strengths</li> <li>Ensure that you don't fall behind vs. sector</li> </ul>	<ul style="list-style-type: none"> <li>Competitor intelligence database with strengths, weaknesses &amp; cost comparisons</li> </ul>	
<b>Moderate</b>	<ul style="list-style-type: none"> <li>Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Research the needs of customer &amp; end-user groups</li> </ul>	<ul style="list-style-type: none"> <li>Quick &amp; easy access to proposition &amp; product information</li> </ul>	
<b>Beginner</b>	<ul style="list-style-type: none"> <li>Track company reputation</li> <li>Develop overall proposition, CVPs, pricing and end-user propositions</li> <li>Clear articulation of benefits, service levels &amp; competitive advantage</li> <li>Clear communication of why customers should deal with us</li> <li>Measure the effectiveness of marketing spend</li> </ul>	<ul style="list-style-type: none"> <li>Co-create CVPs &amp; NPD with staff, customers &amp; end-users</li> <li>Ensure customer understanding of proposition</li> <li>Test &amp; pilot all marketing campaigns</li> <li>Co-funded campaigns for mutual benefit</li> <li>Measure joint marketing effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Regularly review CVPs to reflect customer behaviour</li> <li>Partner with key customers to innovate</li> <li>Identified early adopters for NPD / OPD trial</li> <li>Optimise promotional mechanics</li> <li>CVP described back as choosing / staying reason</li> </ul>	

\* Upper quartile = a CAA® score in the top 25% of all businesses assessed; top decile = top 10%; benchmark = +/- 2.5% from average.



## Priority 4: Hunting New Business

This golden thread looks at new customer acquisition.

A company that has customer acquisition as a defining characteristic of its corporate DNA:

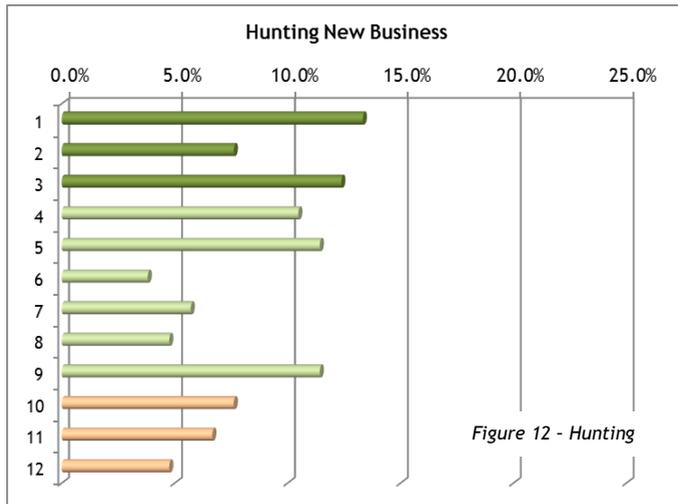
- Has market/sector/category share growth as a major driver of its business plan
- Has a structured and defined process in place to provide a constant pipeline of quality leads and new business
- Has its customer management structure resourced, organised and funded around new business development
- Celebrates new business wins
- Learns from unsuccessful bids

The priority ranking by sector, region, business size and seniority are presented in Table 13. It shows that despite emerging as fourth overall, significant groupings within the cohort rate customer acquisition as number 1 or 2 priority.

4 Hunting New Business			
Sector	Priority	Region	Priority
Banking & Financial Services	5	UK/Europe	6
Telecommunications & Technology	1	Americas	1
Advertising & Marketing	2	Africa/Middle East	2
Manufacturing	2		
Insurance	6	<b>Seniority</b>	<b>Priority</b>
<b>Size</b>	<b>Priority</b>	MD/CEO	4
<5000	5	C-Level	2
5000+	4	Management	7

*Table 13 - Hunting*

The distribution of the way Hunting New Business was ranked by respondents is shown in Fig 12.



It shows that:

- 13% rated it as number one priority and 33% included it in their top three priorities
- The fact that 59% prioritised it into their top six reinforces the strategic importance of customer acquisition within the B2B sector

Nearly half of the respondents who rated Hunting as top priority also had Farming in their top three, whereas only 12% of the vice versa situation occurred (those prioritising Farming also placing Hunting in the top 3). Businesses that strategically aim to be both hunters and farmers need to be incredibly well led, organised and measured.

The respondents who rated this thread as top priority commented as follows:

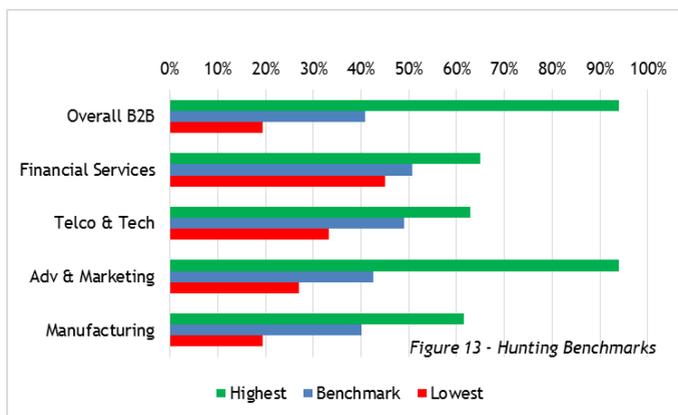
- *Hunting drives our growth, which is key to our business model. We need to grow to be able to handle increasing complexity in the solutions we offer and acquire larger clients (Technology, pan-Americas)*
- *Growth is most important for our business. Data is key in driving sales pipelines across all sectors, without which market share will decline and the database will become stale (Energy, UK)*
- *Our market is still growing. With new businesses being opened daily it is very important to stay on top & ahead of the competition (Telco, UAE)*



- *We are a sales driven organisation where new business is key. Competition is fierce, so a deep understanding is vital of target markets and proposition use (Insurance, UK)*
- *It is critical for us to seize opportunities to help clients digitally transform as the window will be short (Marketing, Canada)*
- *An automised, packaged way of acquisition creates a more sure future for our business (Marketing, Argentina)*
- *We focus on acquisition to drive market share growth and our people are crucial in us achieving that. We are customer centric and everything has to be done starting with the customer at the centre (Banking, South Africa)*
- *Market share growth is important for our business and at the same time maintaining very good bottom line (Manufacturing, UK)*
- *We are in the growth and development stage of our business (Marketing, UK)*

Fig. 13 shows how B2B companies actually perform in their acquisition management capability. It presents the highest, lowest and mean scores from the CAA<sup>®</sup> benchmark database for B2B overall and some key sectors. It shows:

- A very high best-ever score, which does not have to be matched across sectors
- Financial Services has the strongest benchmark, but this is due to a compact range
- All sectors except Manufacturing have lowest scores over 25%





Those companies that have placed Hunting in their top three priorities should be strategically aiming for an upper quartile CAA<sup>®</sup> score - and upper decile for the 13% who gave it 1<sup>st</sup> priority.

All other companies should be aiming to be at least benchmark performers as some element of Hunting is required in every business.

Table 14 illustrates the types of strategic objectives that B2B companies should have depending on their existing & desired capability levels. CAA<sup>®</sup> capability and Deep-Relationship-NPS assessments would pinpoint your position on the matrix.

Strategic Objectives - Hunting				Table 14
Appetite Current Capability	Benchmark*	Upper Quartile*	Best (Top Decile*)	
Performer	<ul style="list-style-type: none"> <li>Hold position &amp; invest benefits into other strategic priorities</li> </ul>	<ul style="list-style-type: none"> <li>Seamless handover hunters-to-farmers</li> <li>Ensure that you don't fall behind vs. sector</li> </ul>	<ul style="list-style-type: none"> <li>Gather intelligence on how prospects list suppliers &amp; where we stand</li> </ul>	
Moderate	<ul style="list-style-type: none"> <li>Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Defined criteria for qualifying prospects &amp; opportunities in or out</li> </ul>	<ul style="list-style-type: none"> <li>Prospect trustworthiness checking</li> </ul>	
Beginner	<ul style="list-style-type: none"> <li>Understand hunting activity effectiveness</li> <li>Hunting strategy distinct from NPD or Market strategies</li> <li>Foster a hunger to win new business</li> <li>Lead product</li> <li>Partner collaboration plans</li> <li>Track the acquisition rate</li> <li>Celebrate wins from brand new customers</li> </ul>	<ul style="list-style-type: none"> <li>Common pipeline management methodology</li> <li>Joint targeting with affinity partners</li> <li>Extend contact plans to prospects, especially Strategic Acquisition targets</li> <li>Clear roles &amp; responsibilities around handling of prospect enquiries</li> <li>Winback strategy &amp; plans</li> <li>Track sources of new business</li> </ul>	<ul style="list-style-type: none"> <li>Pipeline managed on a daily basis</li> <li>Advocacy planning for customer &amp; staff recommendations</li> <li>Diligence to ensure that 'deals' actually turn into purchase orders</li> <li>Winback programmes recognising reasons for lapse/loss</li> <li>Pipeline governance (no sales "appearing out of nowhere")</li> </ul>	

\* Upper quartile = a CAA<sup>®</sup> score in the top 25% of all businesses assessed; top decile = top 10%; benchmark = +/- 2.5% from average.



## Priority 5: Target Markets & Sectors

This golden thread is about how B2B companies decide which markets & sectors to enter, grow, reduce exposure, or exit.

A company that has market & sector management as a defining characteristic of its corporate DNA:

- Drives competitive advantage through its expertise in and clarity of the market(s) where it decides to play and the sectors in each market that it chooses to target and develop
- Is disciplined about not expending time and effort on off-target opportunities unless there's a high-level strategic decision to use the opportunity to open up a new target market/sector

The priority ranking by sector, region, business size and seniority are presented in Table 15. It shows a range within the groupings from Manufacturing, who rate it as top priority, to only two groupings where it falls out of the top six - larger businesses and the Africa/Middle East region.

5 Target Markets & Sectors			
Sector	Priority	Region	Priority
Banking & Financial Services	6	UK/Europe	4
Telecommunications & Technology	6	Americas	4
Advertising & Marketing	5	Africa/Middle East	8
Manufacturing	1		
Insurance	4	<b>Seniority</b>	<b>Priority</b>
<b>Size</b>	<b>Priority</b>	MD/CEO	4
<5000	4	C-Level	5
5000+	7	Management	5

*Table 15 - Target Markets*

The distribution of the way Target Markets & Sectors was ranked by respondents is shown in Fig 14.

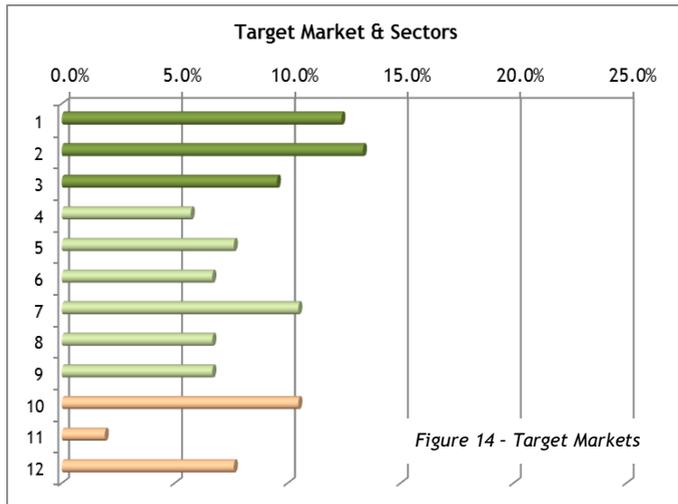


Figure 14 - Target Markets

It shows a broad spread across the priority range, with 55% prioritising it into their top six leading to it coming out 5<sup>th</sup> overall.

Over a third included it in their top three priorities, whereas it occurred in the bottom three in only 20% of cases, so this aspect of B2B customer management cannot be ignored.

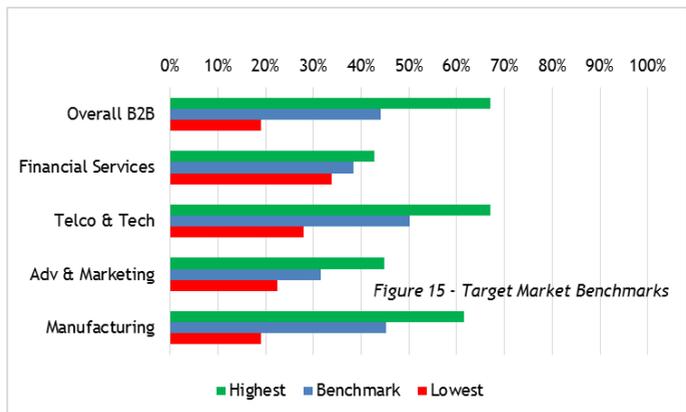
The respondents who rated this thread as top priority commented as follows:

- *We need to build a broader base & more balanced business that is not solely reliant on the demands of the top 4 grocers. Major growth opportunities exist in other channels where quality & provenance is important (Food & Beverages, UK)*
- *We cannot afford time and resource on public channels to get everybody to understand our unique product. Understanding where our “product fit” is in the market is the first priority (Manufacturing, China)*
- *We are successful in a couple of our ‘niche’ markets, and strive to use this to grow in more generic markets where there are far more prospects but also much more ‘noise’ as every man and his dog offers such services (Telco Technology, Australia)*



- We focus around the customers & markets that we understand and who value our CVP - strategically selective about where we don't participate (Insurance, UK)
- Focusing on appropriate target markets is the starting point for an effective business model and best use of resources (Banking, Canada)
- The profitability of projects in our sector depends exclusively on the deep knowledge of it (Telco, Argentina)
- Our range stretches from higher-margin, value-adding products to more competitive, commodity-type goods. We are the largest player in a niche market; and can afford to let competitors fight over low-margin business while we concentrate on building our understanding, expertise and advantage at the upper end (Food & Beverages, UK)
- An a large composite insurer it is vital that we identify our chosen markets and strive to capitalise on our expertise in those spaces, compounding the strong reputation earned over years of excelling in specific lines of business (Insurance, UK)
- First you have to be very clear which markets to target, then position your brand, and after that establish a good channel network to serve the installed base (Logistics, Bolivia)
- If we truly understand the target market and have good people building relationships, we can add real value to clients. This in turn will result in new opportunities and loyalty in the relationship, resulting in financial and non-financial benefits (Banking, South Africa)

Fig. 15 shows how B2B companies actually perform in their capabilities to decide which markets & sectors to enter, grow, reduce exposure, or exit. It presents the highest, lowest and mean scores from the CAA® benchmark database for B2B overall and some key sectors.





It shows:

- A best-ever score below 70% suggesting that everyone has room for improvement - especially Financial services
- Strong benchmark and low-point scores within sectors, meaning that companies in these sectors can't afford to be sub-standard

Those companies that have placed this thread in their top three priorities should be strategically aiming for a CAA® score in the top quartile. All other companies should be aiming to build capabilities towards the benchmark, otherwise an opportunity to break into a new sector may be missed.

Table 16 illustrates the types of strategic objectives that B2B companies should have depending on their existing & desired capability levels.

Strategic Objectives - Target Markets			Table 16
Appetite Current Capability	Benchmark*	Upper Quartile*	Best (Top Decile*)
<b>Performer</b>	<ul style="list-style-type: none"> <li>• Hold position &amp; invest benefits into other strategic priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure best practice new market/sector consolidation</li> <li>• Ensure that you don't fall behind vs. sector</li> </ul>	<ul style="list-style-type: none"> <li>• ID the most profitable parts of the market</li> <li>• Track the rate / extent of rising expectations</li> </ul>
<b>Moderate</b>	<ul style="list-style-type: none"> <li>• Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>• ID key drivers of growth or decline</li> <li>• Internationalisation SWOT</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy for which markets &amp; sectors to reduce exposure</li> </ul>
<b>Beginner</b>	<ul style="list-style-type: none"> <li>• Market structure map</li> <li>• Strategy for which markets &amp; sectors to enter &amp; grow</li> <li>• Clear entry pricing</li> <li>• Reputation strategy &amp; KPIs</li> <li>• Dashboard of hard &amp; soft market measures agreed internally</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy for which markets &amp; sectors to exit</li> <li>• Active reputation management</li> <li>• Mechanisms to share market insights with customers to add value &amp; build trust</li> <li>• Market measures dashboard shared with key customers</li> </ul>	<ul style="list-style-type: none"> <li>• Management of the company's impact in the overall value chain</li> <li>• Actively counter trends towards ever-shortening SLAs/LTAs</li> <li>• Reputation action based on all available listening mechanisms</li> </ul>

\* Upper quartile = a CAA® score in the top 25% of all businesses assessed; top decile = top 10%; benchmark = +/- 2.5% from average.



## Priority 6: Key Account Management

This golden thread looks at how your ‘best’ customers are managed.

A company that has key account management as a defining characteristic of its corporate DNA:

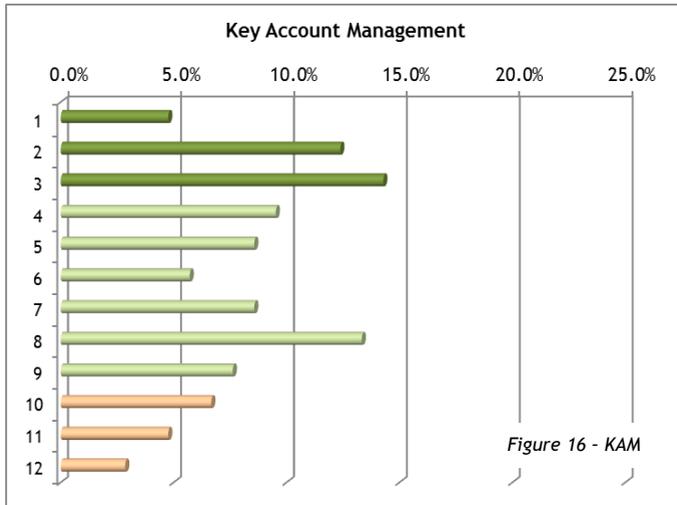
- Has a customer base where a relatively small proportion of accounts deliver a high percentage of revenue/ profit, and key accounts have been identified as strategically important to the business
- Identifies its key accounts based upon strategic criteria reflecting importance to the business and developmental potential
- Has a dedicated account team for each key account and a dynamic joint business plan that delivers high levels of co-working, aligned strategy and shared values
- Constantly monitors relationship quality
- Has a contact strategy and account planning that are enabled through a CRM system accessible to the whole team

The priority ranking by sector, region, business size and seniority are presented in Table 17. Sixth is of course mid-table, which is reflected by a wide range of ranking from 3<sup>rd</sup> to 11<sup>th</sup>.

6 Key Account Management			
Sector	Priority	Region	Priority
Banking & Financial Services	3	UK/Europe	5
Telecommunications & Technology	5	Americas	7
Advertising & Marketing	6	Africa/Middle East	3
Manufacturing	8		
Insurance	10	Seniority	Priority
Size	Priority	MD/CEO	11
<5000	6	C-Level	6
5000+	3	Management	3

Table 17 - KAM

The distribution of the way KAM was ranked by respondents is shown in Fig 16.



It shows that KAM is rarely top priority (<5%) but that nearly a third (31%) include it as top three and over half (55%) prioritised it into their top six - hence its position just in the top half of the table.

The respondents who rated this thread as top priority commented as follows:

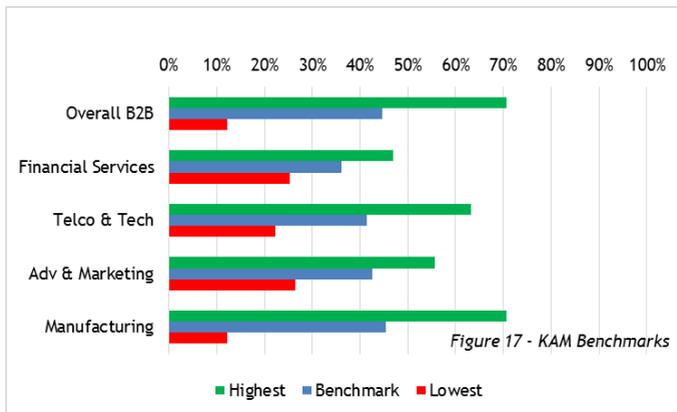
- *Our current KAM process is spreadsheet based, which completely limits our ability to develop insight (Automotive, UK)*
- *A few key accounts make up the majority of our revenue & profit, and our growth is expected to come primarily from these customers. Our ability to manage these relationships and the joint challenges will be the top factor in our business success for the foreseeable future (Manufacturing, USA)*
- *Our business relies heavily on Key Accounts. Being able to understand and evolve with our customer organisations' needs is essential, and significant resources and efforts are dedicated to partnering with, servicing and selling to Key Accounts (Telco, UK)*
- *Our business is focused on developing relationships and creating solutions to individual customer needs (Non-profit, UK)*



- *We work with customer groups that are increasingly networked with multiple influencers & decision makers. We need to network through numerous review committees to establish a new brand that clinicians will be allowed to use. It can be a 12 month process (Pharma, UK)*

Fig. 17 shows how B2B companies actually perform in their KAM capabilities. It presents the highest, lowest and mean scores from the CAA® benchmark database for B2B overall and some key sectors. It shows:

- A high of 71% in the Manufacturing sector
- A low of 12% - in the same sector!
- Strong 40%+ benchmarks in all but the Financial Services sector



Those companies that have placed KAM in their top three priorities should be strategically aiming for a CAA® score in the top quartile. Other companies that placed it in their top six priorities should be aiming to build 2<sup>nd</sup> quartile capabilities, otherwise some key accounts could become vulnerable and/or good people could be lost.

Table 18 illustrates the types of strategic objectives that B2B companies should have depending on their existing & desired capability levels. CAA® capability and Deep-Relationship-NPS assessments would pinpoint your position on the matrix.



Strategic Objectives - KAM				Table 18
Appetite Current Capability	Benchmark*	Upper Quartile*	Best (Top Decile*)	
<b>Performer</b>	<ul style="list-style-type: none"> <li>Hold position &amp; invest benefits into other strategic priorities</li> </ul>	<ul style="list-style-type: none"> <li>Reward &amp; retain best key account managers</li> <li>Ensure that you don't fall behind vs. sector</li> </ul>	<ul style="list-style-type: none"> <li>Investigate how important you are as a supplier to your key customers</li> </ul>	
<b>Moderate</b>	<ul style="list-style-type: none"> <li>Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Map all internal influencers, recommenders, evaluators &amp; blockers</li> <li>Strategy for trading with global accounts</li> <li>KAM &amp; global account plans pull together all product, service &amp; support elements</li> <li>Clear criteria for who you enter into joint business planning (JBP), co-location or co-creation</li> <li>Active staff co-location</li> <li>Cooperation in trade bodies, professional institutions, etc.</li> <li>Dashboard of measures with key customers driven from the JBP</li> </ul>	<ul style="list-style-type: none"> <li>Align with key customers' NPD timelines</li> </ul>	
<b>Beginner</b>	<ul style="list-style-type: none"> <li>A model that drives whether relationships are tactical, strategic or partnership</li> <li>Clear definition of what constitutes a key account</li> <li>Simple KAM plans accessible to everyone who contributes</li> <li>Regularly check and confirm with key accounts that they are receiving the agreed relationship</li> </ul>		<ul style="list-style-type: none"> <li>Don't 'enforce' key account status; ask what relationship they want!</li> <li>Strategic plan for key accounts covering investment, joint-working, innovation &amp; resource priorities</li> <li>High levels of predictability</li> <li>JBPs with mutual controls to ensure equitability</li> <li>Global, regional &amp; local relationships working without tripping over each other</li> <li>Category captain status</li> <li>JBP review process driving corrective action</li> </ul>	

\* Upper quartile = a CAA® score in the top 25% of all businesses assessed; top decile = top 10%; benchmark = +/- 2.5% from average.



## Priority 7: Negotiating and Selling

It should be stressed that appearing in the bottom half of the table does **NOT** make any of the following golden threads unimportant B2B business competencies!

Negotiating & selling has been separated out from acquisition and retention because it's a key area of corporate competence in B2B that applies to both new bids and repeat or retendered business. A company that has it as a defining characteristic of its corporate DNA:

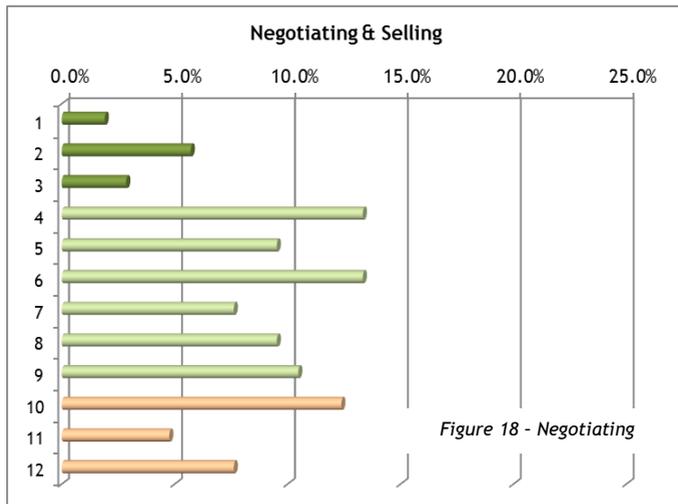
- Never loses a bid because of poor preparation or negotiation
- Doesn't win bids that turn out unprofitable
- Everybody in it sees how their role in the business supports selling and reinforces the purchase decision
- Has insight development through 'good listening' at the heart of the sales process
- Ensures that customer solutions are based on identified needs with attributable benefits
- Negotiates hard but fairly, achieving 'win, win' outcomes
- Has customer facing staff with broad commercial skills as well as technical ability
- Invests in these skills so that staff gain 'trusted advisor' status within clients

7 Negotiating and Selling			
Sector	Priority	Region	Priority
Banking & Financial Services	11	UK/Europe	8
Telecommunications & Technology	4	Americas	3
Advertising & Marketing	7	Africa/Middle East	12
Manufacturing	7		
Insurance	3	<b>Seniority</b>	<b>Priority</b>
<b>Size</b>	<b>Priority</b>	MD/CEO	7
<5000	7	C-Level	8
5000+	8	Management	8

*Table 19 - Negotiating*

The priority ranking by sector, region, business size and seniority are presented in Table 19. It shows that this is not a definitive factor, but does appear in the top four priorities of three of the groupings.

The distribution of the way this golden thread was ranked by respondents is shown in Fig 18.



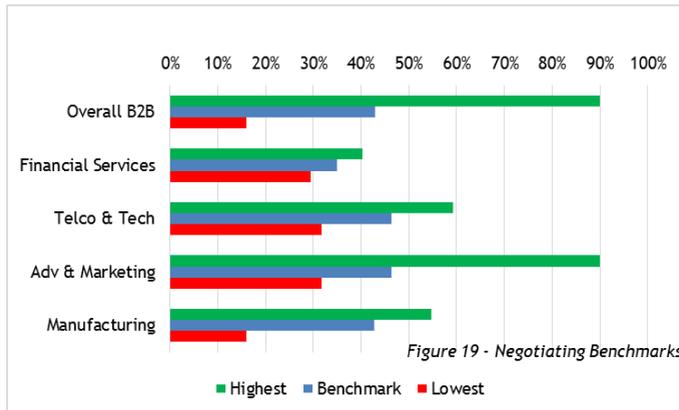
It shows that:

- Hardly any (2%) rated it as number one priority, and only 10% included it in their top three priorities (vs. 25% placing it in their bottom three)
- Despite this, 47% prioritised it into their top six

The respondents who rated this thread as top priority commented as follows:

- *This is the engine for all of our business (Pharma, Chile)*
- *We are good at building relations, but need to improve in negotiating and up-selling to existing clients (Marketing, Hungary)*

Fig. 19 shows how B2B companies actually perform in their negotiating & selling capabilities. It presents the highest, lowest and mean scores from the CAA<sup>®</sup> benchmark database for B2B overall and some key sectors.



It shows a very high best-ever score of 90%, but this not being reflected in other sectors, which have similar benchmarks in the 35%-45% range and some strong low-point scores.

With relatively few companies placing this thread in their top three priorities, negotiating & selling could be strategically prioritised as an area of particular competitive advantage for some companies. If so they should aim to be at the top of the list.

For others that placed it in their top six priorities a CAA® score in the top quartile should be aimed for. The remainder should build capabilities towards the benchmark, otherwise business will be lost and sales staff morale hit due to a low conversion rate.

Table 20 illustrates the types of strategic objectives that B2B companies should have depending on their existing & desired capability levels. CAA® capability and Deep-Relationship-NPS assessments would pinpoint your position on the matrix.



Strategic Objectives - Negotiating			Table 20
Appetite Current Capability	Benchmark*	Upper Quartile*	Best (Top Decile*)
Performer	<ul style="list-style-type: none"> <li>Hold position &amp; invest benefits into other strategic priorities</li> </ul>	<ul style="list-style-type: none"> <li>Reward &amp; retain best negotiators</li> <li>Ensure that you don't fall behind vs. sector</li> </ul>	<ul style="list-style-type: none"> <li>Analyse decision making behaviour</li> <li>Methodology to balance relationship with risk</li> <li>Clear negotiating point defined that you will not go beyond</li> <li>Map decision trees</li> <li>Negotiation style flex</li> <li>Manage tendering processes to exert early influence</li> <li>Continuous improvement governance around results reviews</li> <li>Monitor total cost of selling as a % of sales</li> </ul>
Moderate	<ul style="list-style-type: none"> <li>Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Map value enhancing 'gain points' in the value chain</li> </ul>	
Beginner	<ul style="list-style-type: none"> <li>List all knowledge / intelligence sources</li> <li>Insight into the wants &amp; needs of customers and end-users</li> <li>Identify key stakeholders</li> <li>Sync account plans with contractual agreements</li> <li>Contact plans to develop business within new divisions &amp; group companies</li> <li>Standardise negotiation approach &amp; process</li> <li>Review the results / outcomes of negotiations</li> </ul>	<ul style="list-style-type: none"> <li>Transparent allocation of time &amp; budget to channels &amp; account teams</li> <li>Trade terms and investment in-line with profit potential</li> <li>Systematically model &amp; plan cross selling</li> <li>Negotiation blueprint - roles, conditioning, opening, fall-back positions, etc.</li> <li>Selling presentations reflect customer's success measures and language</li> <li>Proposal conversion performance above industry standard</li> </ul>	

\* Upper quartile = a CAA® score in the top 25% of all businesses assessed; top decile = top 10%; benchmark = +/- 2.5% from average.



## Priority 8: Organisational Design

This golden thread looks at how the customer is embedded in your Organisational Design (OD).

A company that has its organisational design as a defining characteristic of its corporate DNA:

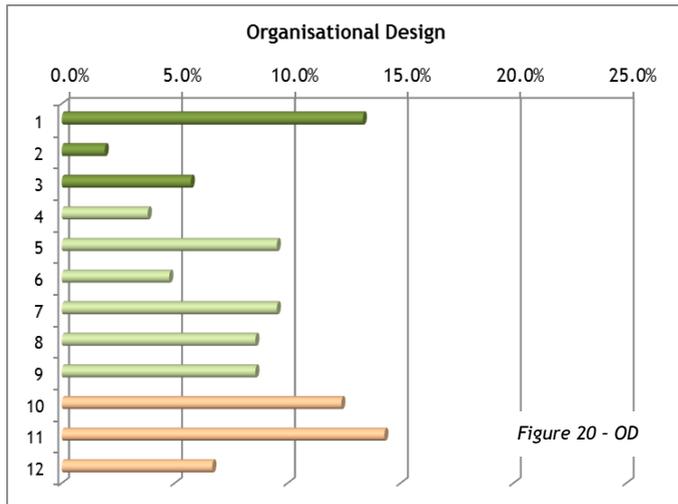
- Has customer-centricity as fundamental to its brand, proposition and culture
- Has innovation, flexibility & entrepreneurialism as key success factors
- Is built around the delivery of an excellent customer experience throughout the customer journey/lifecycle
- Has mapped the customer journey and developed the organisation to minimise pain points and accentuate the gain points
- Never allows internal silos, power bases or politics to become visible to clients or to obstruct their journey

The priority ranking by sector, region, business size and seniority are presented in Table 21. It shows a high of 4<sup>th</sup> in financial services and a low of 11<sup>th</sup> in two groupings.

8 Organisational Design			
Sector	Priority	Region	Priority
Banking & Financial Services	4	UK/Europe	7
Telecommunications & Technology	7	Americas	11
Advertising & Marketing	11	Africa/Middle East	5
Manufacturing	5		
Insurance	8	<b>Seniority</b>	<b>Priority</b>
<b>Size</b>	<b>Priority</b>	MD/CEO	10
<5000	8	C-Level	8
5000+	6	Management	6

*Table 21 - OD*

The distribution of the way OD was ranked by respondents is shown in Fig 20.



It shows a distinct polarisation of ranking compared to the other golden threads:

- 13% rated it as number one priority - this is the equal 3<sup>rd</sup> highest top-box proportion
- Only another 8% included it in their top three priorities, however
- A significant 33% deprioritised it into their bottom three

The respondents who rated this thread as top priority commented as follows:

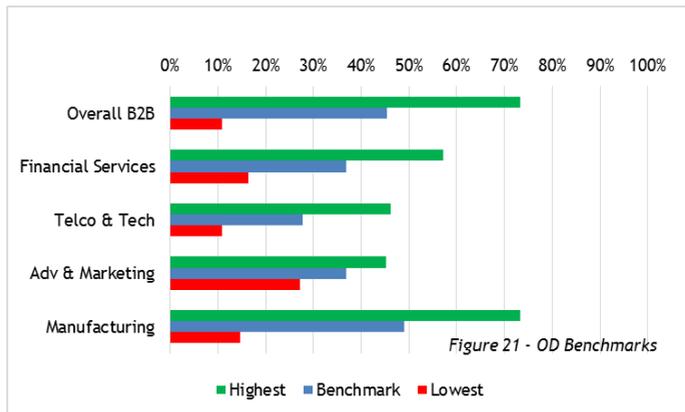
- *Organisational Design is where we have the most work to do in order to maximise good work in many other areas (Telco, UK)*
- *OD around the customer is key to making the changes we require to reach our goals especially in customer relationships (Telco, UK)*
- *Markets are changing quickly with customer expectations changing rapidly and traditional journeys being disrupted. We need to focus on solving customer problems with partners and to do this have a dynamic, collaborative environment that can take calculated risks (Insurance, UK)*
- *We have already reached a fairly advanced state in other respects, but I believe that organising to understand the voice of the customer, build trust and link internal values is essential to sustain existing and target new relationships (Banking, South Africa)*



- *We are successful because we manage our business like a start-up: we have a very lean organisation and we move fast and don't work in silos. We are uplifting the skills, calibre and leadership of our people to increase our performance. We do all this in a very strategic fashion with a strong focus on a few priorities (Food, UK)*
- *It is the one area where we can gain competitive advantage as we have in most instances managed to leverage the other equally critical B2B priorities (Banking, South Africa)*
- *The business is in the midst of a 2 year restructure. The focus is on building customer centricity whilst further developing digital expertise (Manufacturing, UK)*
- *It seems as if only some teams and individuals around the organisation see customer management as critical - we have many silos and politics can get in the way of key decisions. We are also, generally, quite slow to do things and don't respond to customer needs as well as we should (Manufacturing, UK)*
- *We have been too product centric for too long; cultural change and focus on client-centricity has to be the #1 priority (Financial Svcs, UK)*
- *We are focused in looking at our business through the world of the segments of our customers that we target. This allows us to lead with clear design thinking at an experience level enabled by IT and digital strategies. (Banking, South Africa)*

Fig. 21 shows how B2B companies actually perform in their OD capabilities.

It presents the highest, lowest & mean scores from the benchmark database.





It shows a best-ever CAA<sup>®</sup> score of 73% in the Manufacturing sector; a wide range in benchmark scores across sectors, from Telco & Tech at 28% to Manufacturing at 49%; and a very poor lowest score at just 11%.

Those companies that have placed OD in their top three priorities should be strategically aiming for a CAA<sup>®</sup> score in the top quartile, and those who placed it first must aim for the top decile. Companies that de-prioritised it should be aiming to build at least some capabilities (3<sup>rd</sup> quartile) - nobody can afford for their OD to have no recognition of customer management! Table 22 lists some strategic objectives depending on existing & desired capabilities.

Strategic Objectives - OD		Table 22	
Appetite Current Capability	3 <sup>rd</sup> Quartile*	Upper Quartile*	Best (Top Decile*)
<b>Performer</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Optimise OD for cost-to-serve / efficiency</li> <li>Ensure that you don't fall behind vs. sector</li> </ul>	<ul style="list-style-type: none"> <li>Assess the levels of trust that exist within the business</li> <li>Innovation &amp; co-creation core to business design</li> <li>Comprehensive people engagement through the change cycle</li> <li>Budget flex to capitalise on CM opportunities</li> <li>Added value of innovation &amp; co-creation clearly and separately tracked</li> <li>Change governance tracing long-term outcomes &amp; benefits from initiatives</li> </ul>
<b>Moderate</b>	<ul style="list-style-type: none"> <li>Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Benchmark the organisational design</li> <li>Re-organise to be structurally customer centred</li> <li>Clear "ownership" and responsibility for customer experience</li> <li>Common model of change used for all transformation initiatives</li> <li>Company approach to innovation &amp; co-creation</li> <li>Informed, timely decisions in support of the customer experience</li> <li>Dashboard of hard &amp; soft OD measures</li> </ul>	
<b>Beginner</b>	<ul style="list-style-type: none"> <li>Understand characteristics of customer centric organisations</li> <li>Identify barriers to customer-driven change</li> <li>Acceptance of the change required to become more customer centric</li> <li>Reduce 'fire-fighting' &amp; tactical mode in sales planning</li> <li>CM-related budgets monitored &amp; managed</li> </ul>		

\* Upper quartile = a CAA<sup>®</sup> score in the top 25% of all businesses assessed; top decile = top 10%; 3<sup>rd</sup> quartile = just below average.



## Priority 9: Channel Management

This golden thread covers how well existing and new channels and media are being integrated in B2B.

A company that has channel management as a defining characteristic of its corporate DNA:

- Has a clear channel strategy that optimises existing channels and introduces new channels and media as and when they are appropriate for their customers
- Constantly monitors developments and customer appetite to look for quicker/ better/ cheaper ways to sell and service the propositions
- Grasps early mover advantages that make it easier to do business with them
- Is highly rated as preferred supplier/partner in the intermediated parts of its business (brokers, resellers, etc.)

The priority ranking by sector, region, business size and seniority are presented in Table 23. All groupings except one (CEOs) rate channel management in the bottom half of the priority table.

9 Channel Management			
Sector	Priority	Region	Priority
Banking & Financial Services	10	UK/Europe	10
Telecommunications & Technology	11	Americas	8
Advertising & Marketing	8	Africa/Middle East	7
Manufacturing	12		
Insurance	7	<b>Seniority</b>	<b>Priority</b>
<b>Size</b>	<b>Priority</b>	MD/CEO	6
<5000	9	C-Level	9
5000+	8	Management	9

*Table 23 - Channel Mgt*

The distribution of the way this golden thread was ranked by respondents is shown in Fig 22.

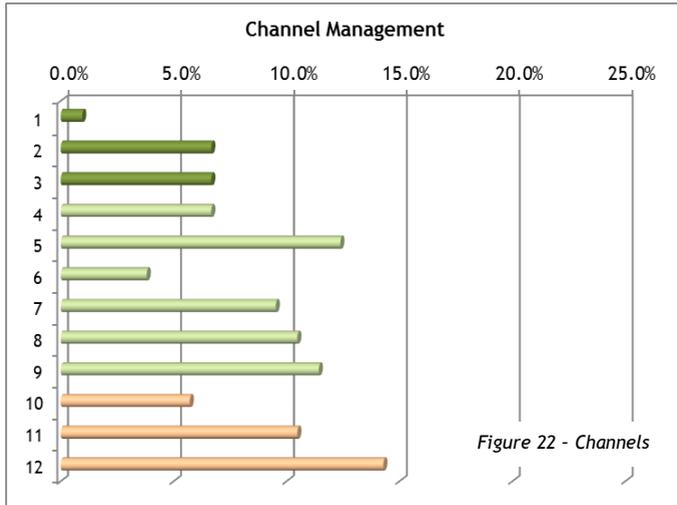


Figure 22 - Channels

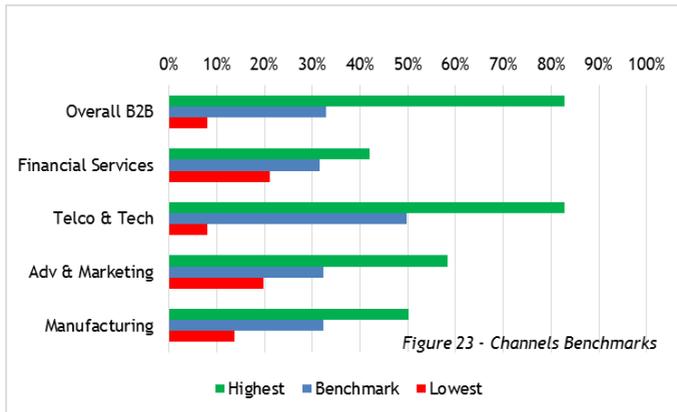
It shows a significant weighting towards the bottom half of the rankings, with 63% prioritising it that way. Only 1% rated it as number one priority and 14% included it in their top three.

The respondent who rated this thread as top priority commented as follows:

- *Regional Partners provide local presence, are considered as a Place of Excellence and a Centre of Expertise, employing knowledgeable experienced professionals they develop within the sector the position of a “trusted advisor” (Utilities, UK)*

Fig. 23 shows how B2B companies actually perform in their capabilities to manage channels.

It presents the highest, lowest and mean scores from the CAA<sup>®</sup> benchmark database for B2B overall and some key sectors.



It shows:

- A very high best-ever score (83%) in one sector only - the others to not better 60%
- A relatively low overall benchmark (33%) with only Telco & Tech standing out
- An extremely low bottom-rung score of just 8%, suggesting effectively no channel management capability at all in place

Those companies that have placed it in their top three priorities should be strategically aiming for a CAA<sup>®</sup> score in the top quartile.

Because of the fast moving developments in Channel Management, we would urge all companies to aim to build some capabilities to attain benchmark - or add risk to your business of being wrong-footed by a new entrant.

Table 24 illustrates the types of strategic objectives that B2B companies should have depending on their existing & desired capability levels.

CAA<sup>®</sup> capability and Deep-Relationship-NPS assessments would pinpoint your position on the matrix.



Strategic Objectives - Channels			Table 24
Appetite Current Capability	Benchmark*	Upper Quartile*	Best (Top Decile*)
<b>Performer</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Optimise channels for best efficiency / cost-to-serve</li> <li>Ensure that you don't fall behind vs. sector</li> </ul>	<ul style="list-style-type: none"> <li>Map the needs and operations of intermediaries</li> <li>Profitability maximisation by channel</li> </ul>
<b>Moderate</b>	<ul style="list-style-type: none"> <li>Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Identify how value flows through each channel</li> </ul>	<ul style="list-style-type: none"> <li>Nurture customers and prospects through new channels &amp; media</li> </ul>
<b>Beginner</b>	<ul style="list-style-type: none"> <li>Define all channels (direct, brokers, wholesalers, digital, distributors, etc.)</li> <li>Monitor trends and preferences re. existing and new channels / media</li> <li>Digital footprint development Plan</li> <li>Pilot new media opportunities</li> <li>Vision for the "ideal" Point of Purchase (POP) by channel</li> <li>Straightforward channel mgt disciplines</li> <li>Simple channel measurement</li> </ul>	<ul style="list-style-type: none"> <li>New media adoption &amp; best use of social media</li> <li>Personalise the digital experience</li> <li>Strategy to positively impact the POP varied by channel</li> <li>Clear plans for working with dealers, distributors, intermediaries &amp; wholesalers</li> <li>Utilise all channels to implement new ways to improve customer contact, influence and cost-to-serve</li> <li>Channel effectiveness measures vs. your objectives</li> </ul>	<ul style="list-style-type: none"> <li>Consistent customer experience delivery through all channels</li> <li>Dynamic response to what customers &amp; competitors are saying &amp; doing online and in social media</li> <li>Measure variances in channel cost to serve</li> <li>Punch above our weight in digital &amp; social engagement</li> <li>POP levels of effectiveness measured</li> </ul>

\* Upper quartile = a CAA® score in the top 25% of all businesses assessed; top decile = top 10%; benchmark = +/- 2.5% from average.



## Priority 10: Ways of Working

This golden thread covers how you go about doing things consistently to a high quality.

A company that has the way it does things as a defining characteristic of its corporate DNA:

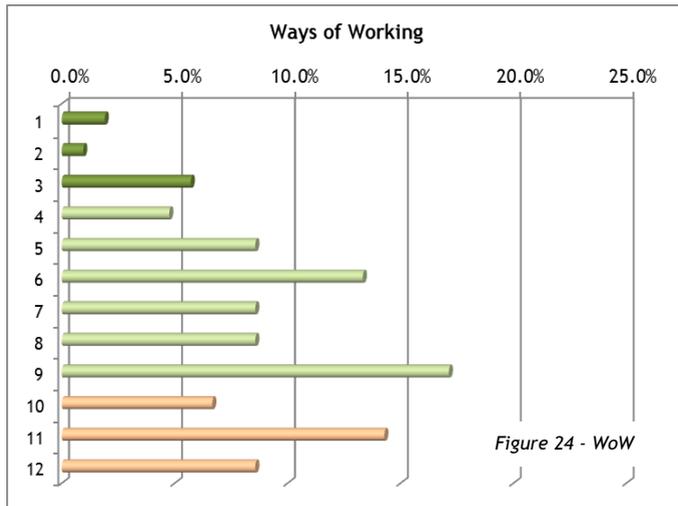
- Is renowned for the consistent quality of its customer management
- Has clearly defined the “Company Way” of doing things
- Manages customers through efficient and up-to-date processes & systems for operational excellence and an appropriate ‘personal touch’
- Continuously looks for new and improved ways of working that make it easier or more cost effective to do business with

The priority ranking by sector, region, business size and seniority are presented in Table 25. It shows the most consistent weighting across groupings, with no rank registering more than two places above or below the norm.

10 Ways of Working			
Sector	Priority	Region	Priority
Banking & Financial Services	8	UK/Europe	9
Telecommunications & Technology	10	Americas	12
Advertising & Marketing	10	Africa/Middle East	9
Manufacturing	9		
Insurance	9	<b>Seniority</b>	<b>Priority</b>
<b>Size</b>	<b>Priority</b>	MD/CEO	9
<5000	10	C-Level	10
5000+	10	Management	10

*Table 25 - WoW*

The distribution of the way this golden thread was ranked by respondents is shown in Fig 24.



It shows that:

- Only 2% rated it as number one priority and 9% included it in their top three priorities. This is the lowest proportion registered and is vs. 30% in the bottom three
- 35% prioritised it into their top six

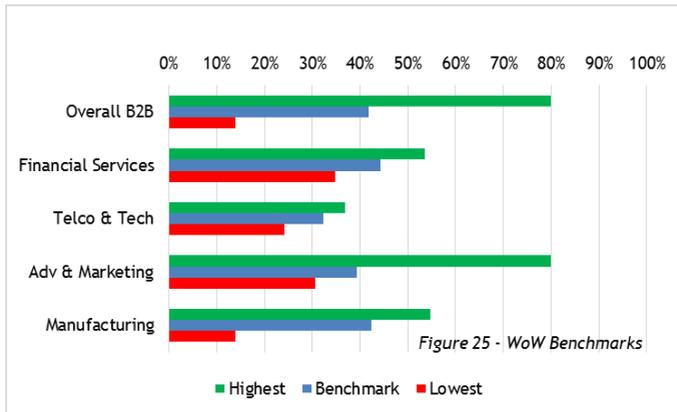
The respondents who rated this thread as top priority commented as follows:

- A lot of the services we offer are commoditised. We constantly have to find better/different ways to make the experience unique and to demonstrate value for money (Technology, UK)
- *We are aspiring to be world class at our people effectiveness practices as well as equipping our work force with new ways of doing things in front of customers. We will continue to invest in products and services to ensure they remain relevant to our customers , however we also want to create new products and services that our clients have not thought of (Banking, South Africa)*

Fig. 25 shows how B2B companies actually perform in their Ways of Working. It presents the highest, lowest and mean scores from the CAA® benchmark database for B2B overall and some key sectors.

It shows:

- A best-ever score of 80% in one sector, but with other sectors top-scoring in the 30's - 50's
- Telco & Tech significantly behind and with a compact range
- A low bottom score appearing in only one sector - others are more robust



Those companies that have placed WoW in their top six priorities (35%) should be strategically aiming for a CAA<sup>®</sup> score in the top quartile.

Companies that de-prioritised it should be aiming to build at least some capabilities to attain the 3<sup>rd</sup> quartile - or risk an inconsistent customer experience.

Table 26 illustrates the types of strategic objectives that B2B companies should have depending on their existing & desired capability levels.

CAA<sup>®</sup> capability and Deep-Relationship-NPS assessments would pinpoint your position on the matrix.



Strategic Objectives - WoW		Table 26	
Appetite Current Capability	3 <sup>rd</sup> Quartile*	Upper Quartile*	Best (Top Decile*)
<b>Performer</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Optimise WoW for best efficiency / cost-to-serve</li> <li>Ensure that you don't fall behind vs. sector</li> </ul>	<ul style="list-style-type: none"> <li>Complaints are corporately welcomed</li> <li>Internal processes mirror the external customer journey</li> <li>Policies &amp; procedures guarantee consistent WoW across sales, service &amp; support</li> <li>Governance to assure Trust, Interdependence &amp; Equitability</li> <li>Virtual working</li> <li>EODB consistency auditing</li> <li>Account management processes reviewed for acceptability from the customers' perspective</li> <li>Measure costs / benefits of CM activities &amp; root cause preventative actions</li> </ul>
<b>Moderate</b>	<ul style="list-style-type: none"> <li>Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Customer knowledge and insight used in everyday working</li> </ul>	
<b>Beginner</b>	<ul style="list-style-type: none"> <li>Get feedback on customer experience and EODB (ease of doing business)</li> <li>Continuous improvement encouraged in CM</li> <li>Map customer processes</li> <li>Document policies &amp; procedures</li> <li>Simple root cause analysis</li> <li>Benchmark customer service vs. good practice</li> </ul>	<ul style="list-style-type: none"> <li>Establish a "no blame" culture</li> <li>EODB aims, targets &amp; objectives</li> <li>Customer Champions</li> <li>Process gaps &amp; holes in the customer journey being filled</li> <li>Business plans incorporate continuous CM improvement</li> <li>Cross functional team working</li> <li>"The &lt;company&gt; Way" of doing things firmly established</li> <li>Action taken based on the root causes of compliments, problems and complaints</li> </ul>	

\* Upper quartile = a CAA® score in the top 25% of all businesses assessed; top decile = top 10%; 3<sup>rd</sup> quartile = just below average.



## Priority 11: Information & Technology

This golden thread covers your IT platform. A company that has its IT as a defining characteristic of its corporate DNA:

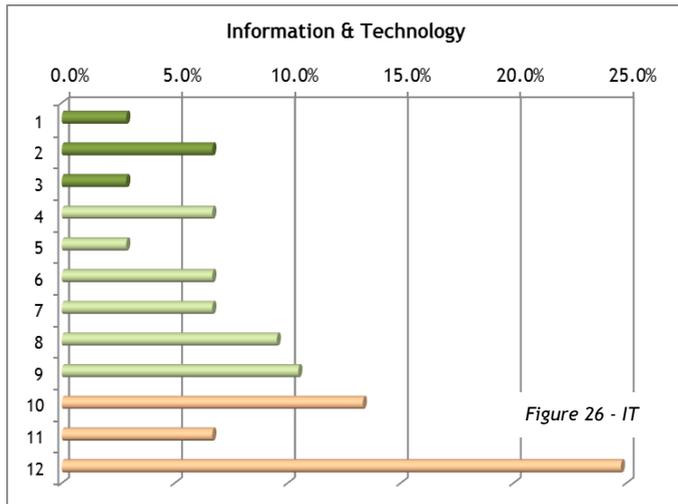
- Has leading edge technology as core to its proposition
- Practices what it preaches through the adoption, demonstration and implementation of pioneering information and systems management
- Very highly values customer data, with everyone passionate about data quality maintenance and improvement
- Has a CRM system that supports and enables the customer acquisition, retention and key account management strategies
- Fully aligns its IT strategy with the customer strategy

The priority ranking by sector, region, business size and seniority are presented in Table 27. Technology companies (unsurprisingly) rate this aspect higher, as do MD/CEOs (perhaps surprisingly so).

11 Information & Technology			
Sector	Priority	Region	Priority
Banking & Financial Services	9	UK/Europe	11
Telecommunications & Technology	7	Americas	10
Advertising & Marketing	9	Africa/Middle East	10
Manufacturing	11		
Insurance	12	<b>Seniority</b>	<b>Priority</b>
<b>Size</b>	<b>Priority</b>	MD/CEO	8
<5000	11	C-Level	12
5000+	11	Management	11

*Table 27 - IT*

The distribution of the way this golden thread was ranked by respondents is shown in Fig 26.



It shows that:

- 3% rated it as number one priority and 12% included it in their top three
- Less than one third (29%) prioritised it into their top six
- 25% ranked it 12<sup>th</sup> - by far the highest proportion of any particular rating

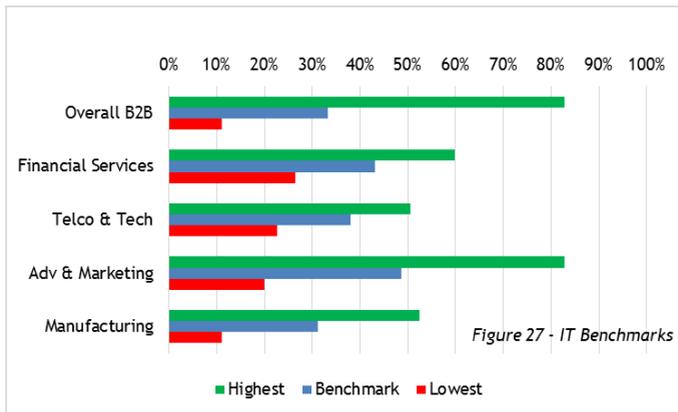
The respondents who rated this thread as top priority commented as follows:

- *IT is essential to be able to easily and effectively communicate with a membership base spread over 120 countries (Non-profit, global)*
- *Partnerships are paramount to our success. Our relationship with Partners and Distributors allows us to provide products and services that they then turn into a total solution that is engineered specifically for the client (Energy, UK)*
- *Our business is to understand our customers' business and make them better through technology. We consider our customers as our partners and that relationship is based on how people interact and connect with each other (Technology, USA)*

Fig. 27 shows how B2B companies actually perform in their IT capabilities. It presents the highest, lowest and mean scores from the CAA<sup>®</sup> benchmark database for B2B overall and some key sectors.

It shows:

- A very high best-ever scorer from the Advertising & Marketing sector, which is unmatched from other sectors
- Three of the four sectors beating the overall benchmark (which of course contains all assessments from other sectors)
- A very low minimum score of just 11% - underlining that some B2B companies are still working on spreadsheets



Those companies that have placed IT in their top six priorities should be strategically aiming for a CAA<sup>®</sup> score in the top quartile.

Companies that de-prioritised it should be aiming to build at least some capabilities to attain the 3<sup>rd</sup> quartile to avoid it becoming an embarrassment!

Table 28 illustrates the types of strategic objectives that B2B companies should have depending on their existing & desired capability levels.

CAA<sup>®</sup> capability and Deep-Relationship-NPS assessments would pinpoint your position on the matrix.



Strategic Objectives - IT				Table 28
Appetite Current Capability	3 <sup>rd</sup> Quartile*	Upper Quartile*	Best (Top Decile*)	
<b>Performer</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Optimise OD for best efficiency / cost-to-serve</li> <li>Ensure that you don't fall behind vs. sector</li> </ul>	<ul style="list-style-type: none"> <li>Join up existing &amp; new channels - internal &amp; external - to provide a single view for users &amp; customers</li> </ul>	
<b>Moderate</b>	<ul style="list-style-type: none"> <li>Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Corporate knowledge in data &amp; systems rather than informally held</li> <li>IT focused on investment in data quality, insight, account dev't and customer experience</li> <li>Customer information &amp; quality plan (CIP) with requirements of all customer, channel &amp; IT strategies</li> <li>Well controlled access to customer data</li> <li>CRM system truly enabling staff with workflow mgt &amp; mktg automation</li> <li>EDI, shared portal etc. quick &amp; reliable with up to date UX</li> <li>CIP-driven data KPIs</li> </ul>	<ul style="list-style-type: none"> <li>Clear ownership of the CIP</li> <li>Customers engaged and involved in CIP development</li> <li>All CM systems reliable with high user confidence in the data</li> <li>Flash points flagged automatically on systems</li> <li>CM-related systems' performance &amp; data quality reviewed at board level</li> <li>Data exchanges measured in a way that both parties agree on their success or failure</li> </ul>	
<b>Beginner</b>	<ul style="list-style-type: none"> <li>Review the opportunities that new media and technologies will open up</li> <li>Reduce dependence on market &amp; customer knowledge 'in the head' of key staff</li> <li>Make IT more than just about cost cutting</li> <li>Identify where IT is disabling effective CM</li> <li>Visible performance measures for IT</li> </ul>			

\* Upper quartile = a CAA® score in the top 25% of all businesses assessed; top decile = top 10%;  
3<sup>rd</sup> quartile = just below average.



## Priority 12: Category Management

This final golden thread is Category Management, which is distinct from Market or Sector because it hones in on discrete (typically) product lines & groupings that are defined either by the market or the customer. It’s important in B2B because customers may be organised this way and because it requires knowledge of and engagement with “the customer’s customer” (sometimes called B2B2C).

A company that has category management as a defining characteristic of its corporate DNA:

- Employs a category perspective that focuses on understanding the category as a market in its own right
- Clearly and consistently defines and sizes its categories
- Drives insight through excellent customer understanding
- Targets, manages and develops categories in a consistent way with their Market/Sector approach

The priority ranking by sector, region, business size and seniority are presented in Table 29. It shows a universally low ranking with only the Americas rating it above the bottom three.

12 Category Management			
Sector	Priority	Region	Priority
Banking & Financial Services	12	UK/Europe	12
Telecommunications & Technology	12	Americas	9
Advertising & Marketing	12	Africa/Middle East	11
Manufacturing	10		
Insurance	10	Seniority	Priority
Size	Priority	MD/CEO	12
<5000	12	C-Level	11
5000+	12	Management	12

*Table 29 - Category Mgt*

The distribution of the way this golden thread was ranked by respondents is shown in Fig 28.

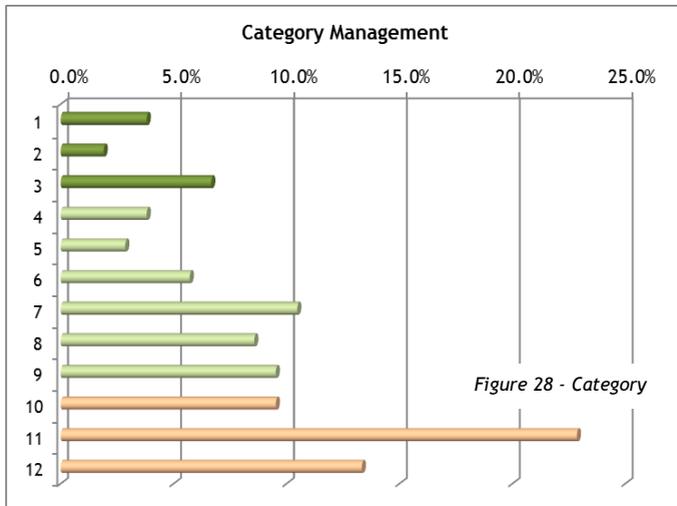


Figure 28 - Category

It shows that:

- 4% rated it as number one priority and 12% included it in their top three - not the lowest and reinforcing that it is important in some sectors
- Only 25% prioritised it into their top six, which is the lowest proportion
- A massive 36% of respondents rated Category Management in their bottom two priorities

The respondents who rated this thread as top priority commented as follows:

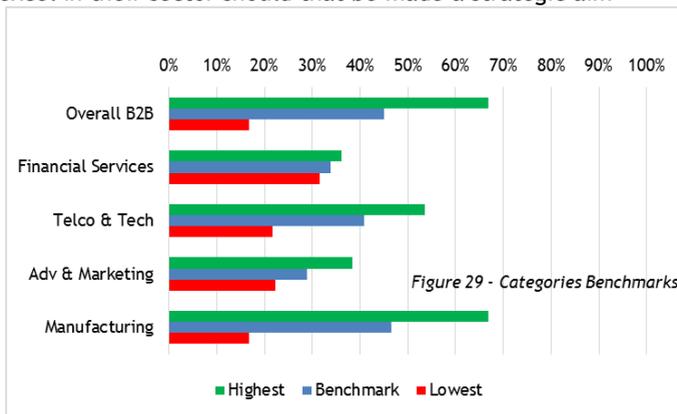
- *Understanding how the end customer will use our product and what for is fundamental for the success (or otherwise) of our business (Healthcare, UK)*
- *Category management is more and more important as customers in our market come from 127 different countries and their expectation is set from outside. Hence we need to be on the forefront of offering good - and in the future tailor made - products (Telco, UAE)*
- *This is our systemic differentiation (Business Support, Argentina & Uruguay)*



- *We're underdeveloped in our approach to category management (Food & Beverages, UK)*

Fig. 29 shows how B2B companies actually perform in their OD capabilities. It presents the highest, lowest and mean scores from the CAA<sup>®</sup> benchmark database for B2B overall and some key sectors. It shows:

- A best-ever score of 67% - by no means the highest bar set among the twelve
- A relatively strong overall benchmark, which is only matched by one of the sectors included in this analysis. Other strong performers come from the FMCG, Consumer Durables and Food & beverages industries
- The lowest-ever score of 17% also comes from the Manufacturing sector, leaving the others with tighter ranges and significant opportunities to excel in their sector should that be made a strategic aim



Those companies that have placed Category Management in their top six priorities (25%) should be strategically aiming for a CAA<sup>®</sup> score in the top or 2<sup>nd</sup> quartile, depending on appetite.

Other companies that de-prioritised it should be aiming to build at least some capabilities to attain the 3<sup>rd</sup> quartile if only to gain better understanding of the customer's customer.



Table 30 illustrates the types of strategic objectives that B2B companies should have depending on their existing & desired capability levels. CAA® capability and Deep-Relationship-NPS assessments would pinpoint your position on the matrix.

Strategic Objectives - Category Management			Table 30
Appetite Current Capability	3 <sup>rd</sup> Quartile*	Upper Quartile*	Best (Top Decile*)
<b>Performer</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Reward &amp; retain best Category Managers</li> <li>Ensure that you don't fall behind vs. sector</li> </ul>	<ul style="list-style-type: none"> <li>Understand distinctions in purchasing/decision making behaviour &amp; timing across categories</li> <li>Manage/ influence market competitive consumer pricing in each category</li> <li>Account plans incorporate insights and category-based consultation</li> <li>Burden sharing with customers to deliver category growth initiatives</li> <li>Specific category growth targets with key accounts</li> <li>Category leadership status</li> <li>Competitive advantage beyond category share</li> </ul>
<b>Moderate</b>	<ul style="list-style-type: none"> <li>Monitor B2B &amp; sector to ensure that you don't fall behind</li> </ul>	<ul style="list-style-type: none"> <li>Systematic capture of category insights &amp; opportunities - evident in marketing plans</li> <li>Include category rationale to develop the portfolio of products</li> <li>Category partnership approach for key accounts to influence the end consumer</li> <li>Clear vision for the "ideal" point of decision (POD)</li> <li>Category strategy evident in marketing &amp; channel planning</li> <li>Whole-category-growth perspective driving activity</li> </ul>	
<b>Beginner</b>	<ul style="list-style-type: none"> <li>Develop a common approach to research category, end-user &amp; shopper needs</li> <li>Simple category definitions</li> <li>Identify the market price leaders and followers</li> <li>Agree which categories to aim for</li> <li>Random cherry picking avoidance</li> <li>Category share growth measurement</li> </ul>		

\* Upper quartile = a CAA® score in the top 25% of all businesses assessed; top decile = top 10%; 3<sup>rd</sup> quartile = just below average.



## About the Author

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### Peter Lavers

[Peter.Lavers@customerattuned.com](mailto:Peter.Lavers@customerattuned.com) is a co-founder and Director of Customer Attuned Ltd.

He is an expert in CRM and customer experience management and is recognised as a top influencer in the subject e.g. Satmetrix Top 50 & SAP Top 60 Customer Experience influencers; Huffington Post Top 100 Customer Service professionals; MindTouch Top 50 Customer Success influencers; and Business Coach Top 100 Management Experts.

Peter's early career was with Rolls-Royce and Bentley Motors, where he trained as an engineer and went on to hold senior roles in commercial and logistics, market analysis, customer satisfaction, regional marketing and in his last client-side position as head of relationship marketing.

As a client he engaged a customer-management consultancy called QCi, and subsequently joined them, rising to become managing partner after its takeover by OgilvyOne Worldwide. Peter went on to also become managing director of Customer Futures, Ogilvy's international network of learning groups focused on the design and delivery of a competitive and profitable customer experience.

The many businesses he has worked with around the world include:

- European industrials - engineering & manufacturing
- Outsourced IT service providers, systems integrators & ERP / CRM / Analytics solutions providers
- UK, European and African Telcos
- Financial Services providers in Australia, Europe, South Africa, North America and the UK
- UK retailers and wholesale food manufacturers
- Automotive companies in Europe, Asia and the Americas
- UK utilities companies



## About Customer Attuned

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Customer Attuned has been jointly developed by a team of customer management experts with long-standing experience and thought leadership in the development of innovative customer-driven change in the B2B sector.

We passionately believe in these 3 things are the basis for any successful B2B client relationship:

### **TRUST, INTERDEPENDENCE, EQUITABILITY**

This is what we stand for and run our business by.

We help you to:

- Become more customer centric
- Understand, manage and improve the quality of your customer relationships
- Make your sales, distribution and communication channels (physical and digital) work smarter
- Attract, manage, motivate, develop and keep your people

And we leave you with the tools to continue the job.

## How to Contact Customer Attuned

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