

Capital Equipment Distributor



Major Account Management Program Prompts New Value Proposition, Greater Customer Share

The account team expanded their value proposition for corporate appeal—they created a dynamic, customer-friendly exchange program.

This billion-dollar capital equipment distributor enlisted Critical Path Strategies to help cross-company sales teams create winning strategies for their key accounts. CPS designed a Major Account Management Program that focuses the sales effort on customers' most critical needs. The new Program provides decision models to quickly and accurately assess opportunities and an effective means for documenting and communicating major account strategies and account plans.

After attending Major Account Management training, one account team refocused their attention from existing customer volume to potential customer share. Their new view of the opportunity landscape led to a unique value proposition and a preferred vendor relationship that is expected to generate nearly \$1 million a year.

The customer is an industry leader in leasing, servicing, fabricating, and selling natural gas compression equipment, and buys almost all of its engines from the capital equipment distributor. But the company secures parts and service from several different local suppliers.

The capital equipment distributor's Product Support Sales Manager wasn't willing to settle for the same piece of business from local decision makers. He knew that the most efficient way to service engines that have more than 60,000 hours on them is to exchange them for a rebuilt engine. Using the Account Management Program's Opportunity Landscape tool to analyze his customer's current state, the sales manager concluded that the company paid different and fluctuating prices for rebuilt engines, and it was difficult to work with so many suppliers. He and his account team expanded their value proposition for corporate appeal—they created a dynamic, customer-friendly exchange program. Under this program, the customer would pay a single flat price for rebuilt engines in a particular model series.





Next, the sales manager and his team had to sell the idea internally. They worked with colleagues across the company who touched the customer to advance the new exchange program. Fortuitously, other Sales Reps had recently attended Account Management training, and had already begun to develop their own Account Plan for the customer. They recruited Service Managers to collaborate with them to redefine their engine exchange program. Their Account Plans formalized internal communications and helped gain management support for their unique value proposition. The planning tools kept them on task and focused on the needs of their customer.

The end result? The customer signed an agreement making the capital equipment distributor their preferred vendor for engine exchange, engine rebuilds, and top-end overhauls. This relationship is expected to generate \$950,000 per year. The capital equipment distributor has offered the new engine exchange program to other key engine customers and OEMs who buy competitive engines.

The extended sales team credits the Major Account Management Program for prompting them to look at their customer in a new way and reshape their value proposition. They believe the Program's how-to sales process ensures client alignment, expands sales opportunities, and delivers convincing client value.

ABOUT CPS. Critical Path Strategies helps clients improve their competitive position by providing comprehensive consulting services to improve the effectiveness of major account sales organizations. Our portfolio of services addresses the strategic, organizational, and relationship issues that impact selling performance. Engineering successful sales teams the Critical Path Way enables clients to develop strong selling organizations, build high-value customer relationships, and accomplish strategic business initiatives. Our clients—emerging companies and members of the Fortune 500 alike—typically measure 100 to 500 times their CPS investment in revenue growth.

For more information about this client, contact CPS Client Services at clientservices@cpstrategy.com.

