

Axioms of Account-Based Growth



Robert Hollier
Partner, Momentum

With Andrew Fitzgerald, Director,
Global Account Based Marketing at
Kyndryl

From the outside in: Account-based growth

For more than 30 years, the notion of treating accounts as markets of one has captured the hearts and minds of executives. A strategic approach that treats individual accounts as markets in their own right, account-based growth is designed to create long-term impact within your most valuable accounts and deliver more effectively on overall business priorities.

Account-based growth is a successful strategy because it brings together the mindset, skills, and resources of your marketing, sales, and delivery teams, as well as relevant business leaders, to focus on helping the customer achieve its business goals. It's an "outside-in" approach to growth.

About the contributors



Andrew Fitzgerald

Director, Global Account Based Marketing at Kyndryl

He is uniquely qualified on this topic due to his ABM experience at IBM coupled with building a new account-centric function at Kyndryl. Andrew is also Account-Based Growth CoE Ambassador for Growth Hub, a dynamic community of B2B marketing professionals.



Robert Hollier

Partner, Momentum

Recently, he has been instrumental in driving insights from the Customer Buying Index research. He also works closely with clients and Growth Hub members on their account-based growth strategies.

The original intent of account-based strategies

The term account-based growth evolved from account-based marketing (ABM). As the term ABM permeates business and becomes diluted by technology providers and others who blur the lines between demand generation true account-based growth strategies, we want to re-establish the original intent of the term. Its reach extends far beyond the boundaries of marketing and has become an essential growth strategy for many organizations.

While there are many hidden complexities of achieving sustainable growth across strategic accounts, we can learn from companies that have expanded and embedded account-based programs. These mature programs are more likely to drive revenue growth (Figure 1).

As account-based growth evolves from an emerging initiative to being embedded at scale, companies with mature programs will confront new challenges that put strategy, people and processes to the test.

To address these, we have identified eight key axioms of account-based growth that are applicable in today's business environment and lay the groundwork for what you need to know to create sustained growth in the future.

Figure 1: Account-based growth requires care and feeding



Source:
ITSMA 2021 B2B Benchmark Study

Eight Key Axioms of Account-Based Growth

1. It is a fundamental responsibility of marketing to support and drive revenue growth from select accounts.
2. Organizationally, account-based growth re-defines and re-calibrates the relationship that marketing enjoys with the whole of the rest of the business - not just sales, but also customer service, finance, executive leadership etc.
3. The whole of marketing is organized around an account perspective.
4. Executive leadership – ideally including the CEO, their direct reports, and sales leadership – understands and supports the business value of the account-based growth approach.
5. Investment by the business in account-based growth is consistent and sustained.
6. ABM is “owned” by a senior person in a global role. There is robust governance in place.
7. There is a robust and repeatable approach to account selection.
8. Account-based growth is not just internal but engages the entire ecosystem, including alliance and channel partners.

Let’s look at each of these in context.

Axiom 1: It is a fundamental responsibility of marketing to support and drive revenue growth from select accounts.

Of course, marketing has a responsibility and a role to play in driving growth in key accounts, but for an account-centric organization, everyone recognizes that they have a role to play. The sales team has a responsibility, as does the product team, the delivery team, and all other parts of the business. That's how an account-centric approach moves beyond the borders of marketing.

For example, when Kyndryl first talked about concentrating on ABM, it was in the midst of setting itself up as a new company. Obviously, the organization relied on IBM processes and lessons learned while at Big Blue to start with, but it also made a concerted effort to do things differently.

From the outset, the marketing team wanted to be clear that the company's focus on account growth was about more than just marketing. ABM at Kyndryl is part of an overall business growth approach where every function plays a part.

Yet – as the axiom states – leadership also believes that supporting and driving revenue growth from select accounts is what marketing does for the business, no matter what term they use.

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Supporting and driving revenue growth from select accounts is what marketing does for the business. Account-based growth is a long-term, relationship-driven, transformational business strategy

Axiom 2: Organizationally, account-based growth re-defines and re-calibrates the relationship that marketing enjoys with the whole of the rest of the business – not just sales, but also customer service, finance, executive leadership, etc.

The challenge of sales and marketing alignment is still one of the most hyped topics on the conference circuit. On the one hand, yes, it can be challenging. But with account-based growth, one thing is clear – growing the business is clearly everybody’s responsibility.

That does not mean people are running around, bumping into each other, all trying to do the same things. It’s about orchestrating the role of the marketing team, versus the sales team, versus the delivery team. This clarity is essential.

Leaders also need to be clear about where the boundaries are and where the interlock is, and do that in a collaborative way. It’s a cultural challenge to engineer this approach, but you cannot create an organization focused on account-based growth with a lone wolf attitude. Coordination and collaboration are key to a successful account-based growth approach.

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Growing the business is everybody’s responsibility

Axiom 3: The whole of marketing is organized around an account perspective

ABM is not just a team within marketing. Instead, the account-based lens is pervasive across every marketing function. When you task your people with driving growth, you also must enable them to do that.

Account-based growth requires prioritization of customers based on the opportunity for growth and delivering additional value to each customer, then using account insights to develop the right approaches for each.

Once those priorities are clear, marketing's tasks are to make sure that we deeply understand our most important customers, ensure they know who your company is, and that customers understand how you can help them address their challenges such that they want to do more business with you.

To achieve this awareness and desire requires all aspects of marketing to focused account-based growth even if that is not their primary role. For example, when there is intense competition for highly specialized workers with unique skills, brand has a major role to play in supporting the recruitment and retention of people.

Then, to maximize the impact on the accounts that really matter, each marketing team needs to make sure the events it runs, the digital it produces, and the social it invests in, etc., are grounded in an understanding of those customers. All of marketing needs to align on the priority accounts.

Axiom 4: Executive leadership understands and supports the business value of the account-based growth approach

Senior level buy-in is critical to the success of an account-based growth strategy. However, the rest of the leadership team, and in fact the entire business, also has to understand that it is a business priority.

At Kyndryl, account growth – expanding the scope of customer relationships with new technology and services – is a strategic priority. ABM efforts at the organization are completely aligned to the strategic goals of the organization.

This also drives other investments needed to enable account-based growth execution across the business. Systems for example – many organizations are looking to buy or build a customer data platform (CDP) that aggregates all the customer data from different systems within the organization into a single view. This kind of approach enables the entire organization to glean insights into past and predicted buyer behavior ultimately delivering improved customer experience.

Kyndryl has built a proprietary platform with internal and external data to build a comprehensive view of the growth potential of an account. As well as providing a data foundation for Account Based Marketing efforts it is also used by sales, business development and other functions to support account growth efforts. It's not a marketing platform or an ABM selection tool; rather, it's a way to determine where to invest resources. It's about how you treat those customers, the strategies you deploy, it's even about the customers you don't want to invest in.

The bottom line is that both the strategic approach, the processes, and the technology that propel account-based growth must be cross-functional to be effective.



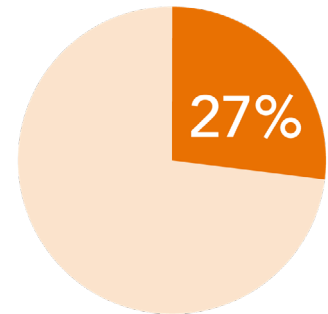
Senior level buy-in is critical to the success of an account-based growth strategy

Axiom 5: Investment by the business in account-based growth is consistent and sustained

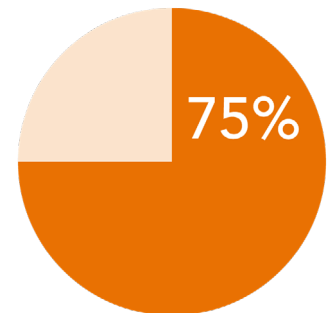
Our ABM research shows that 75% of companies are increasing their ABM and the average growth is 13.5% (Figure 2). This type of growth has been consistent year over year.

Account-based growth is a long-term, relationship-driven, transformational business strategy. Revenue results may take time – but there are indicators to focus on along the way. Deepening relationships and strengthening reputation take an investment but our research shows that over time, it pays off.

Figure 2: Account-focused organizations invest to grow



Marketing budget dedicated to ABM in 2021
(N=165)



Companies that will increase their ABM budget in FY2022
(N=195)

13.5%

Average ABM Budget Growth

Source:
ITSMA 2021 B2B Benchmark Study

Axiom 6: ABM is “owned” by a senior person in a global role. There is robust governance in place

Organizations that have mature account-based strategies are far more likely to have governance in place, including even centers of excellence or program management offices, involvement from a more diverse group of senior leaders, and a reporting structure that focuses on supporting accounts.

Marketing still has a central role to play. That’s exactly the setup at Kyndryl, where the entire marketing organization believes their job is to grow its key accounts.

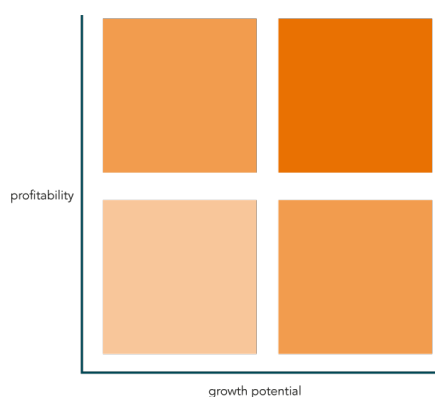
Governance is critical because it helps marketing and the rest of the business gain a clarity of purpose and an understanding of priorities from the outset. Then, it puts processes and touchpoints in place to collectively discuss what that means for each individual or team to achieve those goals.

Axiom 7: There is a robust and repeatable approach to account selection

Each organization that takes an account-based growth approach must have a robust and repeatable approach to account selection. Many businesses have a tiered view of customers to prioritize which accounts to invest marketing dollars and resources in. Often this is based on historical revenue. While this has much to recommend it – simplicity for one – it is inherently backwards-looking.

Every business can create its own process – while there are many templates, it has to fit the organization. The key is to ensure that the process is clear, easy to follow, and implemented across the organization.

Kyndryl leverages its customer data platform and looks at the data in various ways to support its selection process. For example, a simple grid that maps a customer by both profitability and future growth potential. Obviously, the most attractive customers are the ones with high profitability for today and high potential for tomorrow.



This kind of a view is a great basis for account selection. But it's important to remember that data is not the complete answer. It needs to be used alongside what account teams know from talking to the customer. In Kyndryl each country team uses the data with their own insights to decide which accounts to invest in and how to deploy their resources.



Each organization that takes an account-based growth approach must have a robust and repeatable approach to account selection

Axiom 8: Account-based growth engages the entire ecosystem, including alliance and channel partners

If, as an organization, you are investing in building alliances and partnering with other companies to go to market, you need to ask, “How do we utilize those alliance partners to help us drive growth in our accounts?”

It comes back to your own business priorities. You need to pick customers and choose plays that are going to resonate with those customers, based on what you know about them or about what you know they need. Then you need to give the same thought to bringing in the right alliance partners, whether for an engagement, discussion, event, or other marketing activity. Looking at it from the account lens, who is the best partner to address the customer’s requirements?

Some organizations take an account-based approach to alliance partners as well, to get to know their offerings, their needs, and their strategies. There are a lot of similarities to taking an account-based growth approach to customers and to alliance partners. If the ultimate goal of account-based strategies is co-innovation, taking this approach with your most important partners may make sense.

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Account-based growth engages the entire ecosystem

Account-based growth to implement transformational change

These eight axioms are fundamental to embedding an account-based growth strategy beyond marketing's organizational walls. If your organization is ready to commit to growing with your customers, you need a fundamental understanding of the principles of ABM, buy-in from leadership, an investment of money and resources, and patience.

However, if you have complex customers, long-term contracts, and are looking to implement transformational change with those accounts, an account-based growth strategy will help you achieve and maintain rapid account growth at scale.

To help you embed an account-based growth strategy in your organization, look for [Accelerate Strategic Account Growth: An executive's guide to building an account-based growth strategy, creating powerful customer collaboration and empowering teams](#), available October 2022.

If you would like to discuss or debate [The 8 Axioms of Account-Based Growth](#), join a discussion on Growth Hub.