

Active Account Management Pays Dividends for Aon

Having implemented Miller Heiman's Strategic Selling programme to unify and increase the effectiveness of its sales approach worldwide, Aon has linked it with the Large Account Management Process (LAMP) to strengthen its partnerships with complex key accounts and drive up business levels.

Ranked No 212 in the Fortune 500, Aon is a world leader in risk management, insurance brokerage, and human capital consulting services. The corporation employs some 55,000 people in more than 130 discreet businesses operating in 125 countries. Yet it lives up to its name, which is Gaelic for "oneness", by seamlessly bringing together different disciplines to provide a tailored, integrated service to its clients.

Service is co-ordinated through Aon's Global Business Units. Each is structured to focus on global clients and connected through a shared purpose and vision, uniform standards and state-of-the-art technology. This means the company can tap into the most innovative risk solutions, no matter where they were created. For multi-national companies these resources are brought together by a Strategic Account Manager, whose sole task is to understand each client's business in order to match the appropriate skills and resources across Aon as a whole.

Patrick Thomas, Aon's Development Director for Global and Strategic Accounts, says "We realised many years ago that clients want products and services built around their specific needs, provided by professionals with an in-depth understanding of their industries and local markets. We have also discovered that the greater the involvement we have with a client, the more successful and long-standing our relationship with them is likely to be. For example, if Aon touches them in three business areas the more visible the volume of business and the more valuable it is to us."

"However, clients do not want to be approached on several fronts - they want to see Aon as a single entity. Large accounts, in particular, are looking for joined up selling rather than sub-selling with different messages," he adds.

To ensure consistency in the development of its key clients Aon adopted Miller Heiman's Large Account Management Process (LAMP) in 2001. The company had previously implemented Strategic Selling in Europe, the US and Latin America as a structured framework for managing sales opportunities with the aim of maximising revenues, improving close ratios and reducing the cost of sale. LAMP was a natural progression that grew out of a need for more detailed knowledge of the client. Strategic Account Managers in the UK and Europe currently use the two programmes in tandem: LAMP's Gold Sheet analysis tool to look at the overall client relationship; and Strategic Selling's Blue Sheet to manage the sales situations that result from it.

Market changes were also a factor in the decision to implement LAMP, says Patrick. "Not only were we moving to a more solutions-based sales approach, but greater market segmentation also meant we had to organise ourselves more carefully in terms of how we handled small, medium and large accounts."

"For example, small-to-medium companies have become more global in their reach, so we need to take a more international approach at an earlier stage in terms of how business is done

around the world. We are then able to apply this knowledge as we expand into new markets like China and India, where there is huge business potential."

A Changing Role

LAMP also underpins other key aspects of Aon's global sales strategy: industry specialisation and team-based selling.

Determining an effective insurance and risk programme depends on having an in-depth knowledge of the clients' business e.g. in the pharmaceuticals sector this might include understanding how clinical trials work and the timescales involved in R&D investment. Sales people are, therefore, more likely to be hired for their expertise in a specific industry rather than their risk background.

In a bid situation, an Account Partner and one or more Account Managers work alongside people from various disciplines, businesses and cultures within Aon. Each team is made up of 12-15 people but rarely are they the same people. Typically there will be a network specialist (responsible for delivery across different countries); someone who deals with the client's risk; a researcher who looks at financial background, and a professional communicator responsible for articulating a range of complex information.

LAMP is very beneficial in providing a common focus and a shared understanding of strategy. Teams generally review the client either in a meeting/video conference using a paper copy of the Gold Sheet analysis tool, or by exchanging the same information electronically. Sometimes it can take several months to assemble the right team for these sessions, particularly if senior people are involved, but the intellectual capital they generate more than justifies any delay, according to Patrick.

"The process focuses everyone on the business development activity and stimulates the kind of probing and questioning that you need to get an in-depth, three-dimensional approach. It also simplifies the task of managing business across different time zones and cultures, where people's motivation is financial in some cases and a technical challenge in others."

"Although clients are 'owned' by Aon rather than a sales person and are managed by the team, careful account handling is essential in a multi-selling and solutions-orientated environment. As each continent broadly takes its own approach, with larger chunks of business being managed, sales people must understand the whole picture before becoming involved in an account. "

Active Management of Accounts

As targets and expectations rise Aon recognises the importance of professional account development. A large account is now likely to be worth \$5m (whereas once \$500,000 was considered large) and annual sales are of the magnitude that things cannot be left to chance. Patrick estimates that in 2004 more than 50 per cent of revenues will come from accounts where Aon already has a position, making it critical to establish the client's goals, define key influences and quickly determine the direction to take in each case.

LAMP has been invaluable in helping Aon to understand how to approach a situation from different angles in order to move business on from a plateau and drive it to a new level. The cost of bidding for a project can run into tens of thousands of dollars so it is equally important to know what went wrong and learn from it.

Miller Heiman's methodology helps to do this and also focuses resources on the most winnable business situations. For example, Aon recently evaluated 4 potential opportunities in the self-insurance market, ranging in value from \$150,000 to \$1.5m.

"The highest value situation was the obvious focus, but in reality we only had a 1 in 6 chance of being successful as we didn't have the inside track and it was purely a price decision. However, carrying out the review showed that we had a 70 per cent chance of winning the smallest deal, which also had excellent potential for the future."

Close ratios increased from 30 to 40 per cent when Aon first introduced Strategic Selling and the company is progressing towards its next target of 50 per cent. In some sectors it has achieved 60 per cent although this reflects the fact that it is qualifying situations more rigorously and abandoning them sooner. Greater predictability in sales forecasting feeds through into its quarterly reporting.

Patrick Thomas appreciates the discipline Strategic Selling instils in the sales force, particularly mid-level performers who may be less confident and well organised than those at the top. LAMP, however, provides a more philosophical approach for managing large, complex accounts, where Aon already has a foothold but wants to take business to a new level. Together the programmes support the company's aim of being the world's most responsive, client-focused insurance and consulting company.