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Impact Without Authority:

The Individual Linchpin
Capability for Creating Value
with Strategic Customers

B2BVALUEGROUP

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Published in the United States
First published 2015

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Layout by E,T&H Werbeagentur AG BSW, Switzerland

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Contents

Introduction	ix
The Motivation to Explore Impact Without Authority	1
Achieving Impact Without Authority in a SAM Context	5
Exploring Impact Without Authority as a SAM Capability	13
Conceptualizing Impact Without Authority as a SAM Capability	19
Knowledge	21
Skills	38
Routines	51
Cultivating Impact Without Authority as a SAM Capability	61
Endnotes	68
About the Authors	70
About B2B Value Group	72

Introduction

For over a decade, we have worked closely with companies across industries and studied their practices through research consortia, surveys, and interviews. The objective: To explore how companies create joint financial value, strengthen their business relationships, and improve network competitiveness with their customers of strategic importance. The premise: Value creation is not something you do for customers, but with customers, and purposeful collaboration is not something that happens naturally in this context.

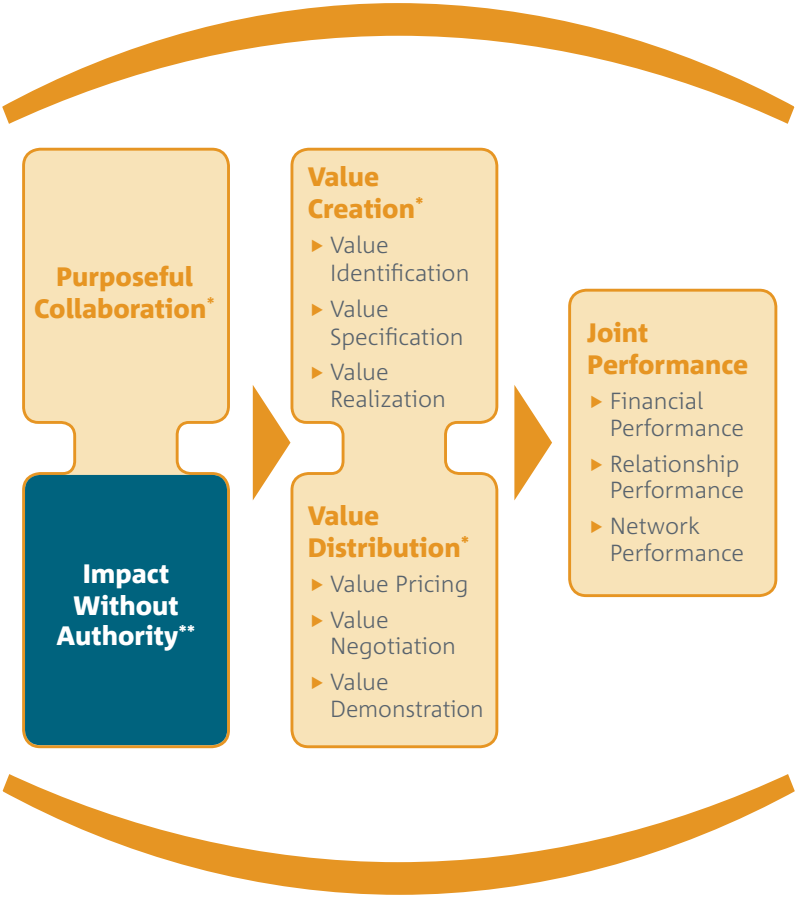
The result of this research is what we call **The Value Creation Model™**. It captures those organizational and individual capabilities that impact the joint performance outcomes of the firm and its strategic customers. It accounts for those capabilities that can be influenced and shaped by the firm. Achieving sustainable performance outcomes that neither firm could achieve alone is a result of the ability to repeatedly create new value and to distribute this value accordingly. Value creation and distribution are either fostered or hampered by the ability of the organizations to collaborate purposefully both internally and with each other, as well as by the ability of those at the firm interface to achieve impact without authority. This book focuses on impact without authority as the individual linchpin capability for creating value.

Our interest in impact without authority dates back to 2002 when, as CEO of the Strategic Account Management Association (SAMA), Lisa Napolitano decided to examine this notion of ‘impact without authority’ after noticing a trend in the practitioner conversation toward internal challenges navigating one’s own firm on behalf of customers. At the time, what was evident was that customers were getting smarter about managing their supply chain, and suppliers were becoming paralyzed by a new set of customer expectations that required an enterprise response. In 2003, Napolitano and two co-authors released the book *Impact Without Authority: How to Leverage*

*Internal Resources to Create Customer Value*¹. At the time, very little had ever been written about the topic, and most of what could be found dealt with ‘influence without authority’ in a more generic sense, largely in the domain of academia, psychology in particular. For sure, the issue had not been tackled from the lens of customer-supplier relationships, despite nearly universal agreement of those who operated in this environment that impact without authority was an important subject in need of examination. The SAMA book aimed to define the issue as experienced at the time and to provide a template for ‘selling an idea’ to someone over whom an account manager had no direct authority. It was a very well received book that, to this day, is found valuable and often mentioned by practitioners despite the fact that the scope of exploration is limited and the content has not been updated in over 10 years.

It is for this reason that the pursuit of new insights into this critical topic became a priority for B2B Value Group. Over time, the voices of practitioners have grown louder in terms of wanting – needing – these insights in order to not just create value FOR customers, but WITH customers and the extended value chain. The authors’ combined expertise, backed by hundreds of practitioner engagements and conversations, and supported by specific research into this subject, have produced an updated view of impact without authority that the marketplace sorely needs. We provide a specific construct for examination and discussion, illustrating ‘what success looks like’ directly from the mouths of seasoned practitioners who grapple with this issue daily. While this book is by no means all that can be said about the topic, it is intended to restart the conversation about what we believe, and practitioners have validated, is THE individual linchpin capability for creating value with strategic customers.

The Value Creation Model™



* Organisational Capability

** Individual Capability

Conceptualizing Impact Without Authority as a SAM Capability

Based on 30 structured, deep interviews with SAMs, we arrive at and propose a construct of impact without authority as a distinct set of skills, knowledge, and routines. Specifically, we identify the elements underneath each dimension. **Knowledge** is comprised of two different domains: Business Insight, which relates to ‘operational insight’, ‘financial insight’, and ‘value chain insight’; and Stakeholder Insight in terms of ‘comprehensive network’, ‘what’s-in-it-for-them’, and ‘influence hierarchy’. Data analysis surfaced the following **Skills** to form impact without authority: ‘Knowledge management acumen’, ‘strategic acumen’, ‘leadership acumen’, ‘collaboration acumen’, and ‘communication acumen’. Knowledge and skills are enhanced by three **Routines** that we describe as ‘communication rhythm’, ‘account governance’, and ‘practice sharing’. The following sections describe in detail each of the elements that form impact without authority and how they are connected to each other, drawing upon the rich data obtained from the interviews. Internal versus external differences are highlighted where identified, as are particular contextual influences.

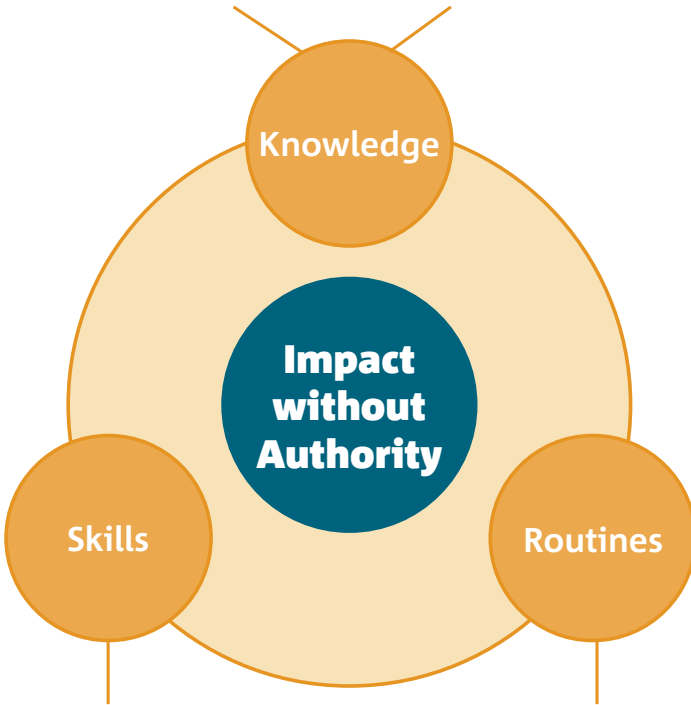
The Construct of Impact Without Authority as Individual Capability

Stakeholder Insight

- ▶ Comprehensive Network
- ▶ What's-In-It-For-Them
- ▶ Influence Hierarchy

Business Insight

- ▶ Operational Insight
- ▶ Financial Insight
- ▶ Value Chain Insight



- ▶ Knowledge Management Acumen
- ▶ Strategic Acumen
- ▶ Leadership Acumen
- ▶ Collaboration Acumen
- ▶ Communication Acumen

- ▶ Communication Rhythm
- ▶ Account Governance
- ▶ Practice Sharing

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Knowledge

Knowledge is the fuel that powers one's skill set. Great skills only take a SAM so far in the face of inadequate knowledge about the market, the competition, the customer's business, his/her own business, and the key players that affect all of the above. For many, the knowledge expectations are high for those in the SAM position. As one interview subject put it, *"The SAM is seen in our company as point of reference on the customer, no matter what is the topic."* Likewise, *"the SAM must understand the DNA of his/her own organization...we require a higher cumulative knowledge than other team members"*. The knowledge that could be viewed as pertinent to a SAM's role is both diverse and abundant. What the interviews revealed is that a substantial amount of **Stakeholder Insight** and **Business Insight** – a combination of financial/operational/value chain elements – puts the SAM in the best position to serve as a catalyst for value creation and execution excellence, enabling them to wield influence with numerous individuals required to assist in this pursuit.

Stakeholder Insight

While a SAM requires a certain amount of 'know how' to be successful, our research shows it is imperative they also have a great deal of what could be called 'know who' to be effective in their role. Operating more as a business generalist, both customer and supplier rely on the SAM to understand and cultivate a vast network of relevant people both internally and externally who can be tapped into at any time for a multitude of purposes. As the orchestrator of this network of relationships, the SAM is expected to drive actions throughout that are positive for the business despite having little or no formal authority to do so. Beyond having influence on any one player in the mix, the SAM must also foster involvement and cooperation amongst several players, many of whom might be several levels removed from the customer or the project at hand, others who may be working at cross-purposes within the business or even counter to what the SAM or key parties at the customer end are trying to achieve.

Our interviews revealed that the underpinning of success here is the degree of stakeholder insight the SAM possesses and continues to build proactively. While the sales function is familiar with the notion of stakeholders and the management of them, in the SAM's world, the complexity of the business they manage necessitates a broader, deeper and more strategic understanding of the stakeholder landscape than other positions. What we've learned is that achieving impact without authority requires a combination of a truly **comprehensive network** of stakeholders who have the ability to impact the business with the customer, a keen understanding of **'what's in it for them'** in terms of personal and business drivers, and an accurate picture of the **influence hierarchy** that determines how important decisions are actually made.

Comprehensive Network

The need for a well-rounded, well-developed network around them was expressed by many of the SAMs interviewed, often cited as the key enabler of other activities that made an impact on the business all around:

**“Not one person can be everything to a customer.
I have to know what I don't know and know where
I need to bring in other experts.”**

It was also felt to be an expectation of the SAM in their role: *“I am expected to be an address book for the customer, both for our organization and even the customer's organization”*. However, the difficulties in identifying and managing a truly comprehensive network were raised by many, with one SAM noting that *“Stakeholder intelligence cannot be done 1:1 or alone. You need a smaller network that builds to a larger one.”*

Indeed, we found that the SAMs who took a ‘team’ approach to building their stakeholder insight ended up with a more comprehensive and sophisticated network as a result. *“Getting our management team involved helps with the intelligence around the stakeholders. Sometimes we bring into the team people who have discreet knowledge of players so we have a web of people working on the stakeholder building efforts.”*

We found that all SAMs we interviewed had identified the obvious stakeholders relevant to their business – the usual suspects if you will – but the more successful ones had equally robust internal and external players representing cross-business, cross-function and multiple levels in the hierarchy. Key to this is the understanding that decision-makers are not the only significant stakeholders to know and understand, but that those possessing certain expertise, as well as keepers of important information, are also critical to the pursuit of value creation.

Moreover, they took a ‘network view’ of these people and their relationship to one another, approaching the task of stakeholder management not as just a list of important people, but rather in a dynamic way that identifies linkages between people that are often not apparent, as well as true cause and effect throughout a complex web of players. For one SAM,

“It is important that I not only see connections where they exist, but understand where connections should be and work to close those gaps.”

We also found that more savvy SAMs had a longer-term view of stakeholders, focusing not just on those who are obviously relevant now, but on who might be relevant in the future. For some we interviewed, cultivating such relationships was something of a happy

Interested in learning more about Impact Without Authority and reading the entire booklet?

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