

Project: Create an Account Plan

TLC Health Company Information

Account Plan Overview:

Before you review the company information for TLC Health, take a few minutes to review the categories of information that can appear in an account plan.

For smaller accounts, you might use a “light” version of the plan that includes everything from Core Information to a 90-Day Action Plan.

For larger key/strategic accounts, a plan might include all of the categories in a “light” version plus additional information on the account’s competition, your negotiation strategy for the account, and any relevant sub-account and cross-TLC information.

Category	Description	Light	Strategic
Core Information	Identifies basic information, account team, strategic segment, needs group	✓	✓
Key Contacts	Lists buying influencers, organizational structure, contact relationships	✓	✓
Situation Overview	Provides company background, relationship overview, situation, recent events and headlines, value proposition to customer	✓	✓
Opportunity Assessment	Identifies the customer’s top business priorities, growth segments/markets, opportunities, industry trends	✓	✓
Financial Performance	Provides current financials per quarter, last three year financials, total addressable spend, share of wallet	✓	✓
Strategic Planning	Details strategic goals, sales targets	✓	✓

Category	Description	Light	Strategic
90-Day Action Plan	Specific actions, people responsible, and deadlines (SMART) to accomplish strategic goals	✓	✓
Competitive Intelligence	Identifies products, strengths/weaknesses, risk of substitution		✓
Negotiation Strategy	Identifies upcoming negotiation goals, strategies, tactics, people attending		✓
Sub-Account Info	Details how to serve the customer across various regions and sub-companies		✓
Cross-TLC Info	Summarizes customer spend across other TLC value centers, list of TLC strategic account managers for other VCs and who they have relationships with or who “owns” the relationship		✓

TLC Health Company Overview:

Summary:

- TLC Health is an A-level account for Atlas
- They currently own about 300 health clubs in the U.S.
- Atlas has steadily increased sales to TLC Health over last 4 years
- Atlas has been an active bidder in all major elliptical and treadmill purchases

Key Insights:

- TLC Health is expanding into Southeast market
- Recently acquired 40 health clubs in Georgia and Florida (estimated need for 500 new treadmills)
- Marketing estimates TLC Health spends about \$8.6M in total on products and services where we have an offering

Atlas's Strategic Objectives:

- To expand profit at TLC Health to 28% in 2014
- Others to be determined by account manager

Quotes from Recent Interactions with the Customer:

In conversation with Tom Herlich, Vice President of Strategy, you learned:

- *"Further acquisitions are planned that will yield an additional 200 health clubs by 2016, which will require us to upgrade approximately 1000 treadmills" (6/7/13)*

In passing while visiting TLC South East headquarters, you introduced yourself to Kathy Griffiths, Marketing Manager in SE, who mentioned:

- *"Marketing is kicking off a 'Workout Green' campaign to compete against LA Fitness" (8/24/13)*

In conversation with John Constantine, the current purchasing manager for Southeast U.S., you learned:

- *"Our recent acquisition in Georgia and Florida had just upgraded all their ellipticals and we don't foresee a need to purchase these in the next few years." (10/11/13)*
- *"Our maintenance group has indicated that variety of equipment is negatively affecting uptime in our facilities. They have been pushing for more standardization across suppliers." (12/14/13)*

Prior Win/Loss Summary:

Bid	Date MM/YY	Amount (\$M)	Won/Lost	Reason
200 Standard Treadmills	09/12	0.6	Lost	Rep was told “Chen Fitness’s prices are 30% lower than Atlas”
100 Standard Treadmills + Monitoring System and Performance Service	02/13	0.45	Won	Rep was told “Your product/service combination is a good value for us”

Pipeline Summary:

Bid	Bid Decision Date MM/YY	Expected Delivery Date	Amount (\$M)	Notes
200 Standard Treadmills	02/14	06/14	0.37	We were told “We love the product, but are unsure of new products in a system where we need to ensure uptime is high”
Service monitoring service contracts for 30 fitness centers in Northeast	05/14	07/14	0.30	Stress overall uptime improvement from service contract

Account Intelligence:

	Description	Implications for Atlas
Account update	Recently acquired 40-location health club in Georgia and Florida	Customer will need to upgrade equipment in newly acquired facilities
Customer's (growth) strategy	To expand through acquisitions and double in size by 2015	Customer has significant growth potential
Customer's supply strategy	Currently multisourced	Customer not leveraging increased purchasing power
Customer's key priorities	<ul style="list-style-type: none"> Complete cardio solutions Equipment uptime 	Sell equipment and systems/services
Trends in customer's markets	Green workout movement growing in popularity	Focus on energy-efficient products
Trends in customer's customer's markets	N/A	N/A
Trends affecting customer's business (e.g., margin decline, segment growth)	Increased competition for TLC Health from L.A. Fitness in Southeast region	Convey marketability of energy efficiency to end consumer

Competitive Position:

Key competitors of TLC Health include:

- **Chen Cardio** is a low-price entrant from China and this is their first year in U.S.
- **Ajax Fitness** is an elliptical market leader and is developing an efficient treadmill.
- **Fir Systems** has a comparable product to Atlas but does not offer any service.

	Atlas	Chen	Ajax	Fir
Cardio Equipment				
Standard Treadmills	Yes	Yes	Yes	Yes
Standard Treadmills, Energy Efficient	Yes	No	No	Yes
Ellipticals	Yes	No	Yes	Yes
After-Sales Service				
Monitoring Service	Yes	No	Yes	No
Technical Consulting	Yes	Yes	Yes	No
'12 Revenue from TLC (\$M)				
Treadmills	1.5	0.1	0.3	0.3
Ellipticals	0.2	0	0.7	0.2
Share gain/loss	Steady	Gaining Share	Unknown	Losing Share

Financial Totals by Product Family (Revenue \$M)

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	2011	2012	2013	Q1 2014	2014 Forecast
Treadmills					
Revenue	0.5	1.0	1.47	0.33	1.65
Margin	22%	20%	17%	23%	22%
Ellipticals					
Revenue	0.33	0.67	0.18	0.04	0.15
Margin	8%	10%	11%	15%	12%
Service					
Revenue	0.17	0.33	0.55	0.13	0.70
Margin	40%	40%	42%	55%	45%
Total					
Revenue	1.0	2.0	2.2	0.5	2.5
Margin	20%	20%	23%	30%	28%