



# FIND THE KEY ACCOUNT

---

SOMETIMES GOING DIRECT to your final customers can be very difficult, especially if you are looking to establish your product as the industry standard. Persuading all those different customers to accept your product becomes impossible because they would all have to agree at the same time—and each one (not unnaturally) is likely to say that they will agree provided all the others do.

Many firms end up trusting to luck and persuasive promotion, as was the case with Betamax and VHS (the competing home video systems) in the 1970s and 1980s. Eventually VHS won the battle, even though Betamax was, in many ways, technically superior. Far better is to find out who will influence (or insist on) other companies adopting the product as standard.

---

## The idea

In 1868, George Westinghouse invented the air brake. This was an important development, because railroads were spreading throughout America and indeed the rest of the world. Railroad trains are easy to start, but difficult to stop—if the braking only happens at the locomotive end of the train, the carriages will derail, and (for a long train) the same applies if braking is applied only at the end of the train. For safety, braking needs to be applied along the length of the train, and systems of levers or cables are just not fast-acting enough.

Westinghouse's system needed to be adopted across all the rail companies, however, since each carriage or freight car might be carried across several different rail companies' tracks in its progress

across America. This meant that each piece of rolling stock might be connected to any other company's stock, including the brake systems. But how to persuade several dozen companies to adopt the new system?

Westinghouse examined the routings of railroads across the country to see where the main nexus of rail transport was. This turned out to be Chicago, where rail links from the West and the prairies brought cattle to the slaughterhouses, and rail links to the Eastern cities carried the meat to the tables of New York, Philadelphia, and Boston. The same links moved manufactured goods from the East to the new towns and ranches in the West.

The Burlington Railroad was the company that had opened up the West, operating trains across the prairies: if Burlington accepted the new system, Eastern railways would have to go along as well, or would have to unload and reload boxcars in Chicago. After running a series of demonstrations, Westinghouse persuaded Burlington to adopt the system—thus forcing every other railroad operator in America to do the same. Many engineers still believe that the vacuum brake is superior to Westinghouse's air brake, because it responds faster—Westinghouse's success came from becoming the industry standard.

## **In practice**

- Make sure you have identified the real key account.
- Be prepared to offer concessions if necessary—the key account is likely to know that they are the key to your success, and will negotiate strongly.
- All your eggs are in one basket—don't drop the basket!
- A superior product, of itself, is not sufficient: even an inferior product will succeed if it becomes the standard.