

Value Solutions & Key Account Management

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My profile...



- PhD. From USI, Lugano, thesis on inter-organizational business relationships
- Associate Professor at Rennes School of Business (2017-)
- Member of AKAM (2016-)
- Associate Editor of The IMP Forum in Journal of Business and Industrial Marketing (2018-)
- Passionate about b2b markets – interaction, relationships and networks dynamics



Issue & Aim



- **The Issue:**

In B2B markets limited number of customer relationships critical for firms' market performance

.... need to manage these key accounts ...

- what is the task?
- what capabilities are needed?

- **The Aim:**

Revisit the conceptual framework for account management:

- the scope and task
- capabilities and skills



... a bit of background



PUBLICATIONS

<i>Decade</i>	<i>Total AM</i>	<i>KAM</i>	<i>xAM</i>
- 1980s	19	3	16 NAM
1990s	69	32	20 GAM
2000s	145	89	16 SAM
2010s	87	77	5 SAM
Total	320	201	

Interest over the last 20 years

B2B markets

OUTLETS

IMM	48
JBIM	21
JP&SM	13
J. of Marketing	2
J. of Marketing Management	4



'key account management' research



Origin:

**observed
practices in
companies**

(mostly B2B)

Topics:

- What is 'key'?
(e.g. Millman, Wilson, 1995; Ivens, Pardo, 2007)
- Organisational solutions (internal) ...
(e.g. Workmann, Homburg, Jensen 2003; Guesalaga & Johnston, 2010; Storbacka, 2012)
- Relational nature
(e.g. Gounaris, Tzempelikos, 2014)
- Strategic role ...
(e.g. Pressey, Gilchrist, Lenney, 2014; Ivens, Leischnig, Pardo, Niersbach, 2018)



What needs to be managed ...



Research on inter-organizational business relationships (in B2B)

✓ *Features*

✓ *Processes*

transactions?
adaptiveness?

- 'intricate' content; offerings, **solutions**
(Tuli et al., 2007; La Rocca et al., 2016)
- '**joint**' acting in solution development
(Johnsen, Ford, 2006; Freytag, Gadde, Harrison, 2017)
- '**continuity**' in relationships
(Gadde, Mattsson, 1987; Friend & Johnson, 2014; Leana, Berry, 2000)

...developing dyadic solutions

(mutual conditioning
Idiosyncratic arrangements)



Value from business relationships



economics of customer supplier relationships

- Value from (joint) solutions
- .. context specific for each party
- Costs forego returns
- Transient (changing)

economic outcomes of supplier relationships:

(Gadde, Hakansson, Persson, 2010)

- Rationalization effects
Cost efficiencies (through mutual coordination gains)
- Developmental effects
Innovation (through joint solution development)
- Structuring effects
position in the supply chain (through relationship development)



The Scope of Key Account Management



There is a considerable variation, no apparent 'golden' standard ...
... different task (negotiated jointly, time and context dependent)

Two polar (endemic) cases; different task, skills and capabilities required:

Rationalization

Development

Task:

Coordination

New solutions

- ✓ internal
- ✓ relational

- ✓ Innovation
- ✓ Adaptation

Capabilities:

?

?



Configuring Key Account Management (emblematic polar cases)



Task:

Capabilities/ Skills:

Organizational Solutions:

▪ KAM **X**avier

Supplier: Large MNC; automotive;
Customer: Utility with a large fleet
(4% of sales)

- Plan and monitor deliveries from several production plants to several customer sites (Europe-wide).
- Troubleshooting (within the own company)
- Consulted on pricing and term of sales (by sales); logistical arrangements

Formal organization:
Specified job description

▪ KAM **Y**vonne

Suppliers: Midsized engineering firm;
Customer: railway infrastructure (6%)

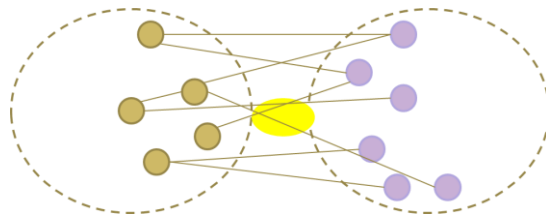
- Developing new equipment to control tracks (7 years project)
- Coordinate joint activities with the customer
- Enticing resources and players as the project unfolds within both companies
- Coordinating informal 'team(s)'
- Shaping the contact pattern and thereby the solution

Informal organization role:
Fluid, morphing over time



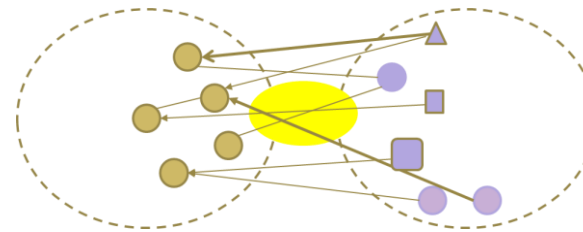
Managing value delivery in relationships involves

■ Coordination



- ... in the own and customer organization
- operational (Short term?)
- Routine?

■ Development



- ... involvement (own and customer organization)
- Project like (Mid-term?)
- Creative?

... Performed without hierarchical authority ...

Configuring Key Account Management



Rationalization ↔ *Development*

Task:

Coordination

- ✓ internal
- ✓ relational

New solutions

- ✓ Innovation
- ✓ Adaptation

**Capabilities/
Skills:**

Interaction capabilities
Communication skills

- Monitoring*
- Planning*
- Organizing*
- (Negotiating)*
- ...

- Interpreting*
- Mediating*
- Motivating*
- Negotiating*
- ...

**Organizational
solutions**

Sales/
Marketing

Business
development



QUESTIONS FOR GROUPS DISCUSSION:

1. Discuss tasks and capabilities of the two polar KAM profiles (rationalization and development); how are these profiles performed in your business?
2. Is there any prevailing profile in your business? To what functions do they belong/refer to? Is there any other significant 'profile' you could think of based on your experience? (exemplify such as for Yvonne and Xavier)
3. How can the skills and capabilities for KAM be developed / supported? (corresponding to different 'profiles'?)