

Stuck on your KAM journey?



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Commercial leaders invest in key account management programs as part of a broader go-to-market sales strategy to drive business growth. They recognize that growth with select customers requires a coordinated, cross-team approach to drive meaningful engagement and deliver mutual value, to justify the ongoing KAM investment.

Yet many initiatives struggle to realize the desired outcomes, elevate customer relationships, and/or secure sufficient executive support. First-time KAM programs often rely on individual heroics (unsustainable) or success with few accounts (unscalable). Some leaders become overwhelmed with the degree of complexity and change required, and revert to short-term selling. The KAM program often stalls, has limited impact, and gets swept away by other initiatives.

Launching a KAM initiative will never be a smooth, mistake-free endeavor without career risk. And with modern business being more complex - with unforeseen disruptions such as the coronavirus pandemic crisis making it increasingly more so - astute commercial leaders realize the risk-reward payoff that an effective key customer program offers. You can embrace the change, or just accept competing on features and price while being marginalized in your marketplace.

Given that KAM means launching a small-scale transformation program – aimed at changing behaviors, capabilities and priorities across several functions – what perspectives and frameworks would be most helpful for commercial leaders looking to launch or improve their key customer management?

Three stages to Best Practice KAM

Experience with dozens of companies suggests that KAM ought to be viewed as three-stage journey with a progression through a series of transformations that yield higher performance. With clarity of where they are most likely ‘stuck’ on the journey, leaders will be more confident to prioritize time and resources needed to address the specific change (in behaviors, capabilities, etc.) and avoid the overwhelm that leads to stagnant performance.

The framework in the table illustrates KAM as a journey of three development stages – Align, Advance and Accelerate – with a series of nine transformations to be undertaken. Each stage consists of the development of three capabilities (or steps) with a corresponding transformation to overcome that enables the leader to make progress.

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The over-arching goal of the KAM journey is to evolve out of a KAMINO state (“Key Account Management In Name Only”) with a reliance on individual heroics – to a state of accelerated momentum with a broad portfolio of key customers supported by cross-functional team collaboration and engaged customers.

Accelerating your KAM journey

Stage	Capability/Competency	Transformation Hurdle
Align	Driver of Growth strategy Develop Talent & Teams Customer Planning	Internal Alignment Role Clarity & Competencies Shared Accountability
Advance	Expand Relationships Value Planning Customize Processes	Deliberate Engagement Tangible Differentiation Tailored Offerings & Processes
Accelerate	Drive Outcomes Lead the Ecosystem Optimize Performance	Disciplined Execution Influence and Impact Advocacy and Adaptability

ALIGN: Navigating Complexity

The Align stage establishes the foundation for how KAM will serve as an extension of the business growth strategy and driver of customer-centricity in the service of key customers. Transformations required:

- Development of compelling KAM value proposition for customers and the company
- Effective teaming and role clarity in account management
- Shared accountability with the customer on relationship goals and mutual value

Examples of the market dynamics that KAM leaders are confronted with include changing B2B buyer expectations, different buyer journeys and trends in customization and specialization. Navigating complexity requires a laser focus on seeking on-going alignment with three stakeholder groups.

1. With its **executive team** on KAM priorities and progress, target investments and executive support for delivering customer growth strategies;
1. With **cross-functional teams** (product management, service, operations) to ensure role clarity and clear accountability in account management; and
1. With the **customer teams** to ensure a mutual account vision and goals derived from a joint customer planning process.

Creating an aligned and fully committed strategy, a plan for sustainable growth and an organizational focus will ensure a strong foundation for dealing with complexity and change.

ADVANCE: Driving Engagement

Next, Advance centers around the individual competencies and organizational capabilities that drive effective customer engagement and advance relationship goals, supplier relevance and customer responsiveness. Required transformations:

1. Tailoring **sales/marketing** message campaigns
1. Conceptualizing **business cases** for joint value pursuit and capture
1. Customized and aligned **offerings and processes** responsive to customer needs

Leveraging the customer planning process, KAMs can identify stakeholders in other budget centers where opportunities may exist to develop new value propositions. Then KAMs must secure deliberate engagement from those individuals to explore ideas for delivering meaningful outcomes. Converting a target opportunity into a defined project and capturing tangible value requires flexible supplier processes and capabilities for tailoring solutions, product or services that meet customer expectations.

ACCELERATE: Building Momentum

To Accelerate, focus on building momentum in the key customer relationship by delivering target outcomes, becoming a thought leader within their value chain, and continuously adapting program tactics for optimized performance. This stage's transformations:

1. Disciplined **execution** and performance support
1. Development of **influence** and leadership skills for KAM leaders
1. Instill **agility and resilience** to respond to changing dynamics

Driving outcomes requires a disciplined customer-centric execution culture – across sales, product, operations and service – to deliver the customer success metrics (financial, relationship and solution delivery) and internal revenue and other sales strategy goals. Successful account leaders have developed leadership competencies that position them to be an influential advisor within the customer's value chain, which often leads to further opportunities to expand value.

Key to success

The three stage Acceleration framework provides sales leaders with a useful template to examine where they are in their KAM journey and what small transformation is needed to achieve greater organizational effectiveness and accelerated customer growth.

The capstone capability on the three-stage journey is seeking continuous improvement by incorporating customer and internal feedback as well as best practice sharing. Adaptability to the dynamic changes and inherent complexity of multi-tiered B2B relationships builds resiliency and broader support for the true value delivered by well-functioning KAM programs.

The key to success in transformational change is to break the journey into manageable units and solve for one behavior or capability gap at a time.

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