

AKAM BULLETIN



The Association For Key Account Management

Inside the Buyer's head:

Are you dealing with old school or strategic procurement?

In this Issue:

7 ways to capture high value learning during the coronacrisis

7 covid-driven supplier risks your customer didn't plan for

Webinar calendar

plus
Member benefits
and new resources

June 2020



Dr Diana Woodburn

AKAM Chairman

editorial

KAMaraderie

It looks like key account management is adapting wonderfully well to the new circumstances: indeed, since the delays incurred in securing face-to-face customer meetings have disappeared, reaching customers seems to be easier than before and speeding up responses all round. But as issues with transportation continue and stocks in the supply chain are depleted, massive gaps are appearing that will take a lot of key account managers' energy to deal with.

Customers are seriously worried about whether they will be the 'customer of choice' in short supply situations. However your company decides to deal with forthcoming shortages, it will be a testing time for key account managers - customers will be alert to whether they are truly a key account in terms of getting supply preference. How you deal with this situation will be critical to your future relationship with them, and they have long memories!

Our next open webinar on 25th June, with specialist supply chain consultancy State of Flux, looks at pandemic-related supplier side risks customers didn't plan for, because understanding and anticipating your customers' concerns gives you a better chance of making sure that your company is ready to respond to them.

Meanwhile, we are very pleased to announce that AKAM and ICW, the Institute for Collaborative Working, are now mutually affiliated. We will be working with ICW in various ways, particularly to exchange expertise and share knowledge. KAM involves collaboration with customers and, very likely, internal functions too. Collaboration is a personal and organizational competency fundamental to KAM success, so I am happy that we will be able to offer you more insight into how to make the process as painless as possible and achieve desired outcomes.

AKAM is keen to develop knowledge in KAM, and we are happy to see that more researchers are investigating the field, which was rather short of academic interest for a long time. But researchers can't tell us anything more unless people participate in their research. One of AKAM Board Member Dr Antonella la Rocca's researchers, based at USI university in Switzerland, is investigating the responsibilities and criticalities you encounter in handling your key accounts. Will you help Sara Pirelli with just 20 minutes of your time on the phone to answer a few questions? She has promised us a report of her findings, but she needs at least 20 key account managers to make it a valid piece of work. Please contact her via the email below and she'll arrange an appointment with you. When we share what we know, we learn so much more!

When we look back on this period, will it just feel like lost time or are there some positive take-aways? Like learning more and faster (see p. 8), understanding more about our customers (p.6), contributing to new research, or making new connections (p.10)?

Our next Bulletin will be after the summer, in September. Have a great summer but be careful!

Best wishes

Diana Woodburn



www.a4kam.org



Please email Sara to book just 20 minutes of your time to answer her questions on KA responsibilities and criticalities.

sara.pirelli@usi.ch

2020 calendar

contents

- 2 KAMaraderie
- 3 Contents & Calendar
- 4 Share your expertise
- 5 How much KAM are your customers really getting?
- 6 Inside the buyer's head
- 8 Are you the 'Chief Learning Officer - KAM'?
- 10 Member benefits and news
- 11 Membership options
- 12 AKAM Corporate members

John Newton, State of Flux Thursday 25th June



7 Covid-driven supplier risks your customer didn't plan for - Why KAMs need to know

The COVID-19 outbreak is causing the biggest disruption in decades to economies and businesses across the world. For 12

years supply chain specialist State of Flux has researched supplier management best practices globally. They found that most organisations are significantly exposed when it comes to supplier risk management, specifically pandemic risks. Procurement and supply chains are struggling to come to terms with the impact of supplier-related risk in these unprecedented times - so an opportunity arises for key account managers to understand and align with the procurement viewpoint.

Understanding the customer perspective on seven of the most unanticipated supplier-centric risks should help you engage your customer and drive meaningful, relevant conversations on what is probably keeping them awake right now. More importantly, by proactively exploring these seven risks with your customer you'll be adopting 'trusted partner' behaviour. And then be better positioned to discuss how you can help them prepare and shape a 'new normal'.

[Register here](#)



Webinars

Free & open to all
Thursday 25th June
7 Covid-driven supplier risks your customer didn't plan for – Why KAMs need to know
John Newton, State of Flux
Zoom

Friday Webinars for Members
Friday 3rd July
Practicalities of strategic account planning
Geoff Quinn, Pfizer Global with Dr Diana Woodburn, AKAM Chair
Zoom

Friday 4th September
Leading in a virtual environment
Dr Colin Hughes, Technological University of Dublin
Zoom

Meetings (planned but to be confirmed)

Tuesday 3rd November
AKAM Technical: How to write a strategic account plan
Dr Diana Woodburn
Lisbon, ISEG Lisbon School of Economics and Management, University of Lisbon

Wednesday 3rd November
Strategic Account Planning: why it matters so much
Speakers: John Bailey, Hiab; Dr Lesley Murphy, Technological University Dublin; & Steve Sweeney, 212 Degrees
Lisbon, ISEG Lisbon School of Economics and Management, University of Lisbon

Tuesday 9th March 2021
AKAM Technical: How to get a Diploma in KAM

Wednesday 10th March 2021
4th Annual Conference
Technological University of Dublin, Ireland

Member Webinar Friday 5th June



Practicalities of strategic account planning

Friday 3rd July Geoff Quinn, Pfizer Global with Diana Woodburn, AKAM

If strategic account plans are really valuable, why are they so often poor or non-existent?

This webinar will explain and explore who expects what from strategic account plans. Identify the essential components and how to present them:

- Key customer understanding
- Value creation
- Commitment delivery
- Relationship development
- Internal and external plan communication

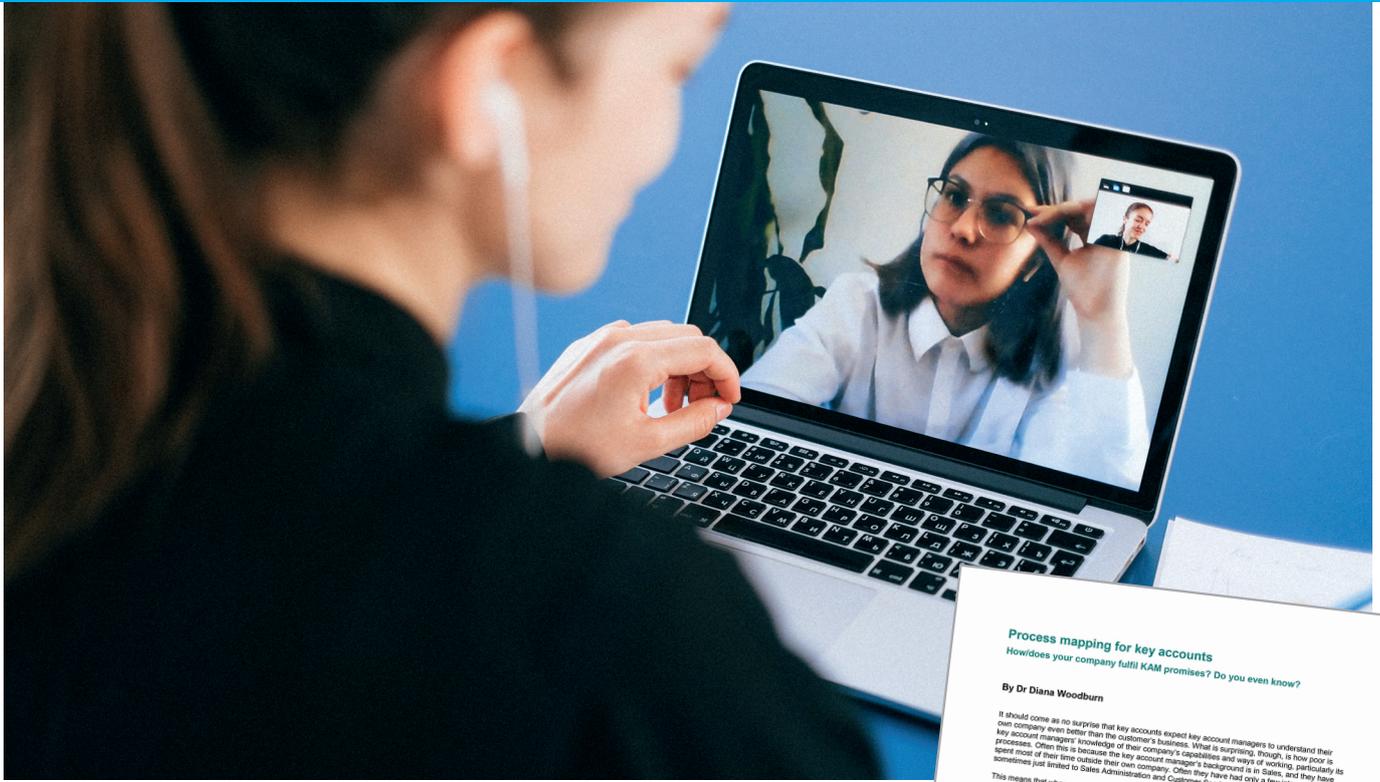
And reviewing – making it a creative process, not the normal walk round results!

Join this webinar to make sure your strategic account plans fulfil your customer's expectations. You'll be struggling to move forward if they don't!

[Register here](#)



Share your KAM expertise and experience



The AKAM community is all about helping each other to improve our approaches to KAM. Top of the list of ways that AKAM aims to deliver its mission is the gathering and sharing of KAM understanding and knowledge. We know that many of you have valuable experience from which others could learn, and perhaps avoid making some mistakes!

So please consider what lessons you have learned and how you learned them, what tools and approaches worked for you and what advice you can offer about how to be successful with KAM, whether as a key account manager or KAM programme director.

Then we invite you to share your reflections with AKAM's audience, to help them:

- out of the goodness of your heart to make you stand out from the crowd
- to stamp your authority on a particular aspect of KAM
- to showcase what your company has achieved as a case study.

We can help with organisation, layout and graphics, and if English is not your first language, don't worry, we'll sort it out.

AKAM offers multiple ways of sharing your expertise:

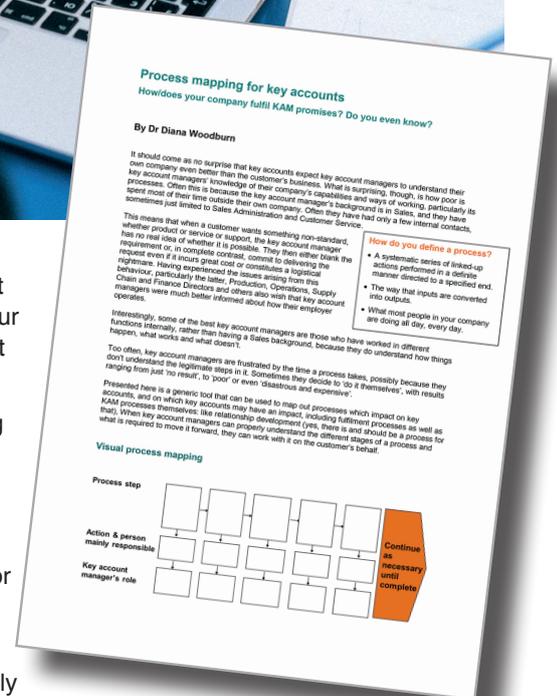
1. Member webinar, 30-40 minutes
2. Article for AKAM Bulletin (approx 800/900 words, but can be more or less)
3. Contributions to AKAM Member Resources, visible to members only
Understanding KAM: papers and articles, any length
Diagnostics and tools: frameworks and analyses, checklists etc
Case studies: practical examples (named or anonymous)
Videos: 3 - 5 minutes of succinct advice with example?
4. Presentation at an AKAM meeting or conference, when we can resume face-to-face events.

Material must be about key account management, i.e. not just sales. If possible, include concrete examples,

but mostly bear in mind what the receiver can take away to benefit their own practices and development. Sorry, but we can't allow direct promotion of your businesses, products or services.

Please send contributions to info@a4kam.org – we all thank you in advance!

If you want to check out any details, including what we may be looking for, just email info@a4kam.org.



How much KAM are your key customers **really getting?**

In key account management (KAM), as with any other investment, you hope to get a return on what you invest. The converse is also true: if you don't invest, why should you expect to get a return? Nevertheless, suppliers often seem disappointed in the performance of an account (and the key account manager attached to it) even though they have made no significant investment in the customer.

If companies understood how much a customer relationship cost them they might make very different decisions, about which should be key accounts, how much they should invest, how the account is performing and how the key account manager is performing. But very few seem to have (or want to have!) the ability to collect all the relevant costs.

But it is important, both practicality and politically, to demonstrate the 'amount' of

key account management customer has actually received, not least because suppliers often talk about offering KAM but have, in reality, delivered very little of it.

So if you can't monetise your investment in customers, you can use this quick estimator to demonstrate which customers are genuinely receiving a KAM treatment, and which are only getting empty words, ordinary sales treatment - or just the odd lunch (entertainment does not equal investment!).

KAM input

scoring scheme:

KAM characteristic	Score			
	0	1	2	3
Share of key account manager time	<15%	15-45%	45-75%	75-100%
KAM team	Non-existent	Exists but ad-hoc, reactive, unclear membership	Pro-active, internally focused	Externally focused, formal ways of operating, clear membership
Relationship governance	Ad hoc	Unconscious, asymmetrical (not matched by customer)	Conscious but asymmetrical	Formally defined, joint
Executive sponsorship (Board level or equivalent)	None	Low participation (e.g. once per year)	Medium: meets customer 2/3 times pa, calls for reports on issues, responds on request	High: meets customer regularly, knows account issues, actively promotes, solves problems, accepts brief
Customised offer	Standard offer only	Minor adjustments, superficial	Major adjustments, not exclusive	Major adjustments, exclusive
Organisation-wide awareness of key account status & how to respond	Nobody knows	Everyone in Sales and Customer Service knows KA status	Everyone in supplier division/ country knows status	Everyone top to bottom in supplier division/ country knows status and how they should respond
Joint 3-year strategic plan	Budget & annual review	Annual review, action plan and budget	Annual review, joint input to 1 year action plan and budget	Analysis of customer & strategy, validated and jointly developed, agreed strategies for 3 years, predicted outputs and measures
Extra resource allocation	Standard	Ad-hoc	Defined but short-term	Regular and frequent resource input, valued by customer

Score assessment:

0 - 4 = no KAM (customer may get some extra support not amounting to KAM treatment)

5 - 10 = low KAM input

11 - 17 = medium KAM input

18 - 24 = high KAM input

Use these scores to assess whether/which of your customer(s) is genuinely receiving KAM.

If not, you and your company need to increase your KAM input or decrease expectations.

KAM input	KA 1	KA 2	KA 3	KA 4	KA 5
Share of key account manager time					
KAM team					
Relationship governance					
Executive sponsorship					
Customised offer					
Organisation-wide awareness					
Joint 3-year strategic plan					
Extra resource allocation					
Total					

Inside the Buyers Head: Are you dealing with old school or strategic procurement?



John Newton
State of Flux

In today's major account driven sales environment, the influence of your customers' procurement department is becoming an increasingly important consideration. Being on the receiving end of procurement-driven supplier management methods is becoming increasingly commonplace, and opens up important account development opportunities. But the first step is to know if you're dealing with old school or strategic procurement!

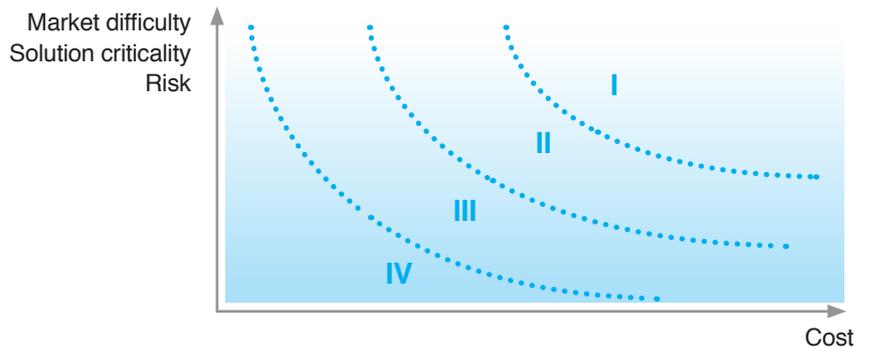
How strategic procurement reveals itself

If you know what to look for, procurement maturity in your customers and key accounts can be revealed through direct observation of three tell-tale signs, i.e.

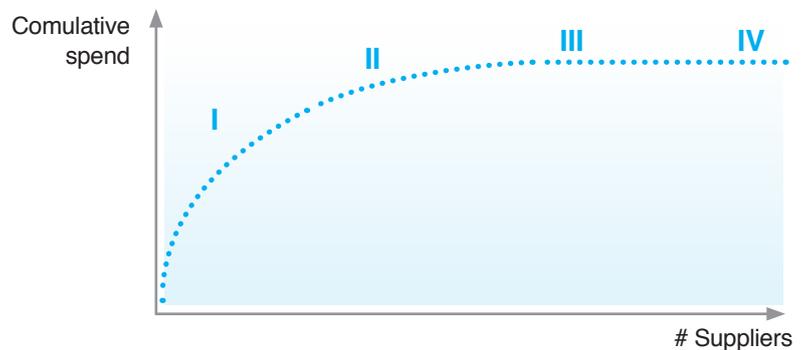
- How their buying is performed,
- How their spend is managed, and
- How they view and manage their suppliers.

The diagrams (Figure 1) show the basic approaches used by a strategic procurement function to segment and classify suppliers and, in turn, determine supplier management methods according to how important each supplier segment is. Depending on if you are a tier I, II, III or IV supplier, you may have to change how you pursue opportunities and manage an account based on what you uncover!

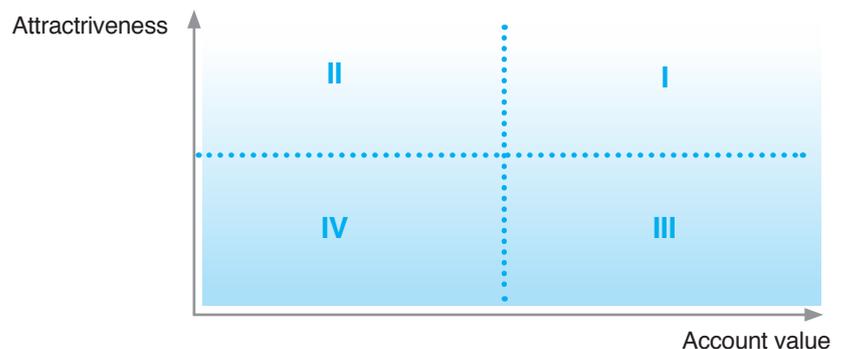
We can use these three ways of looking at procurement to help determine how we, and what we are selling, is likely to be viewed by the professional buyer (when we're in sales mode) and by the supply chain team (when we're in account management mode). The numerals (I, II, III, IV) indicate four key



Supplier positioning



Spend analysis



Supplier preferencing

Figure 1: How procurement classifies suppliers

groupings, or tiers, of supplier. Tier I is for the most important (i.e. strategic) suppliers. Knowing which tier you are considered to be in can be key to adapting your sales and account management strategy:

Tier I

Typically a strategic purchase, destined to be managed with supplier relationship management – focus on being a trusted commercial advisor to the customer and highlight joint innovation potential.

Tier II

A critical purchase where demonstrating well-managed risk and continuity of supply will be of value in the sales dialogue.

Tier III

Here, demonstrating a commitment to ongoing, reliable delivery against contractual requirements and service level agreements is important.

Tier IV

This represents a transactional purchase, and would not normally be the focus of strategic procurement methods.

The key is to ask three questions to create the insight that reveals how the customer is likely to undertake sourcing and respond to account management:

- Is what we're selling seen as a strategic purchase? The first graph, supplier positioning, shows how procurement considers the factors that determine how strategic a purchase is. Cost is just one factor. The fewer alternative suppliers there are, the more critical what they are buying is, and the level of risk it brings will all factor into the level of procurement involvement. A strategic procurement function is charged with managing the total spend of the business. This is to control cost, manage supplier risk and ensure value is delivered.
- Does our business represent a significant level of spend? The second graph represents a 'cumulative spend curve' and is a key tool used by procurement in analysing their spend across the entire portfolio of suppliers. It's important to know where your business is on the spend curve, because this will be another factor in determining the level of effort and attention that will go into managing their portfolio of suppliers.
- How does the customer think we see them? The third graph (supplier preferencing or sometimes referred to as perception analysis) represents the procurement assessment of how they believe their suppliers see them as a customer. This is particularly important because it helps procurement to gauge the mutuality and potential reciprocity in the buy-sell relationship, which is an important success factor for indicating if collaboration, to create joint account plans, is desirable.

The implications for account teams

The three questions we've just looked at form the basis for segmentation, that is, how a strategic procurement function 'divides up' what it buys (and the suppliers it manages) in an objective way. The resulting segmentation is then used by procurement to put the right level of effort and resource into the strategic and critical sourcing projects and, in turn, the most important supplier relationships. This means:

When selling – knowing this information can help you anticipate the level of effort that procurement will invest in the buying process. It will help you understand the key supplier selection and negotiation themes and so help you to sell the way that procurement wants to buy. You will be able to differentiate yourself through how you sell (as well as what you sell).

When account managing – you will be able to anticipate the level of effort that procurement will put into managing the supplier relationship and the activities that it will want to engage in to achieve its objectives. This will help you manage the account in a way that is compatible with how procurement wants to manage you as a supplier. You will be able to create an account plan that works for both organisations.

About the author

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Are you the 'Chief Learning Officer - KAM'?



Alistair Taylor
Brightbridge Consulting



Taking time to learn, as well as to act, has a big pay-off.

Covid-19 has undoubtedly served up a 'curveball' in the first half of 2020 and with business 'experts' warning us to expect more disruption in the coming months, unpredictability and change is very much still with us.

In this highly charged environment key account management has become yet more pivotal. At the bridge-point between the external market and internal operations, those leading key account management are privileged to gain an early perspective of shifts in the market and are first to receive feedback when plans and action are put in motion.

Agile planning and tactical updates are essential, yet when fully focused on direct actions, some organisations overlook rich learning opportunities. The result is that future performance is held back.

Learning 'on the move'

In calmer times reviews of learning have happened at the end of projects. Today learning needs to happen 'live'. What is learnt now must sharpen actions with immediate effect.

This article shares seven ideas that key account management leaders can address to promote high value learning 'on the move'.

Such learning creates value for your key accounts and your account team and will better position your organisation for a brighter future.

A source of competitive advantage

Learning isn't just about facts, it's about growing capabilities, constructive behaviours and new potentials too. 'Know-how' is superior to 'know-what'.

Thought leaders such as Francesca Gino and David Garvin, professors at Harvard Business School, view such learning as a source of competitive advantage,

differentiating market leaders from competitors.

The need for discipline

With exposure to new challenges intelligent key account teams will learn as they go but in most cases without guidance and discipline, much of what could be learnt isn't.

Key account management can gain from steps taken by the emergency services and military who, not surprisingly given the critical and rapidly changing environments they operate in, take learning very seriously.

At this key time healthcare organisations are using concepts taken from 'war-rooms'. Each day new information is gathered, project status reviewed and new actions generated.

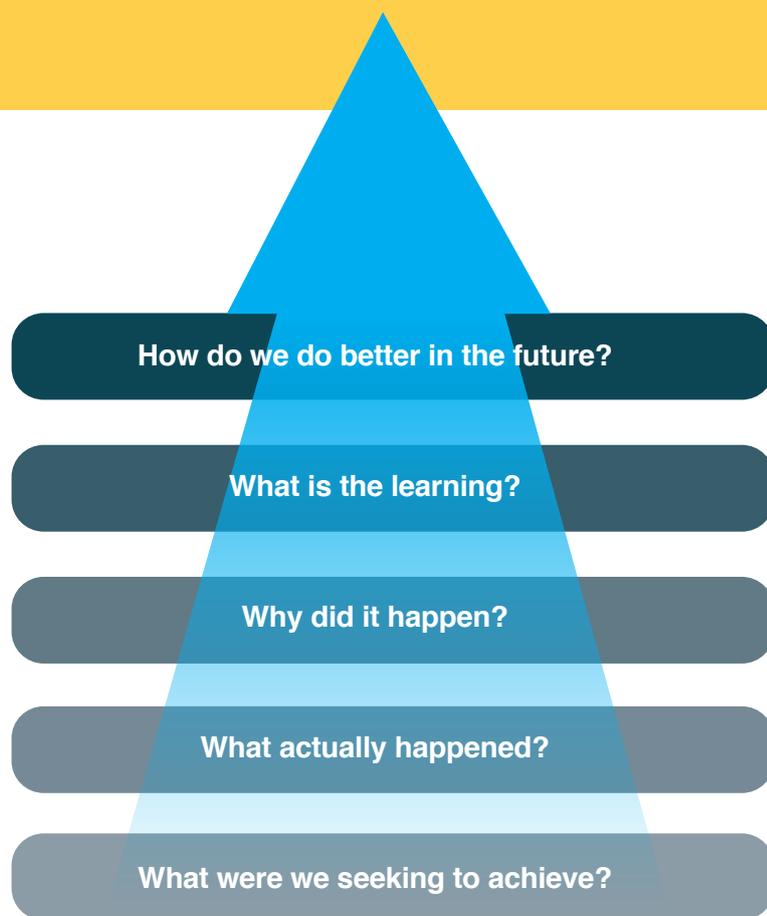
Through a nominated 'facilitator' learning is captured about what actions have gone well and why, how changes in behaviours are impacting progress and how new relationships with other organisations across the healthcare 'network' are supporting improvement. Leaders are tasked with self-reflections of changes in their own behaviours.

This is not a long-winded process, and requires no or little form filling but it happens regularly and in a disciplined way.

The military undertake 'after action reviews' throughout activities. They ask five key questions, probing information, attitudes, skills, and behaviours.

- What were we seeking to achieve?
- What actually happened?
- Why did it happen?
- What is the learning?
- How do we do better in the future?

Such reviews are often carried out in less than formal conditions, such as in transit



Learning: 'After Action Reviews'

between locations. It's important that, just as in healthcare, a nominated facilitator leads the process and regularly probes to exact deeper learning.

Learning in key account management

For key account management rich learning in disruptive times can spin out from several hubs including the following:

- 1. Customer changes:** It's possible to get caught up in 'the devil of the detail' as customers demand changes to specifications, quantities, delivery requirements etc. Taking steps outside of such activities to evaluate whether the customer remains viable, still warrants key account status, whether its decision pathways are changing and whether the value propositions your organisation offers will meet future requirements, warrants ongoing consideration.
- 2. Internal capabilities:** Organisations have surprised themselves through

meeting customer needs in new ways. Car manufacturers have produced ventilators, service companies have found new channels to market. Internal cross functional alignment has improved problem solving to present new solutions in double-quick time. Establishing how this has occurred and how it can be deployed again builds potential.

- 3. Woes unite foes.** In some cases, organisations that have previously seen themselves as 'competitors' have come together. Going forward there may be opportunities for further collaborations. In healthcare, previously adversarial companies are now sharing data and problem solving to better serve hospitals. Key account managers may identify opportunities to change operating and business models.
- 4. Motivate the team.** The work of Daniel Pink and others has shown the importance of learning as a motivator. Guiding your team to reflect on what they have learnt from

how they have addressed challenges, how they have overcome doubts and taken on new thinking can build their resilience and growth muscles. Having team members share learning builds the collective spirit.

- 5. Communication and efficiency.** Teams who were reticent about using technology to replace direct customer contact are now amongst the 'zoom' advocates. What other assumptions do the team or individuals carry that are holding them back? Will new ways be better than old ways entering 2021?
- 6. Model learning.** As the leader of a key account team the way you probe, expose and act on your new learning will rub off on your team. Try sharing some of your insights and how you wish to build on these.
- 7. Insights for your customers.** At this time your key accounts may seek ideas for better practices too. Joint sharing of learning may benefit you both.

Summing up

In times of change actions are important but don't overlook paying attention to learning - it can become your source of competitive advantage. Learning isn't optimised unless disciplines are applied.

It's advisable to have a facilitator who takes responsibility for such learning. Within key account management this is an added responsibility for an open-minded member of the team, not a new role. A key account leader in a service firm recently informally added the sub-title of 'Chief Learning Officer -KAM' to one of her key account managers. Not a paid title, but a clear and respected role.

Alistair Taylor is Managing Partner at Brightbridge Consulting and a Board member of AKAM.
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For AKAM Members

As we hope you know, AKAM's mission is to support people to develop their KAM practices, whether as a key account manager or as a programme director.

Key account management has had a major role to play in the recent crisis, so you will probably have been particularly busy during this period. Which means you may not have had time to check out new pieces on KAM available to you in Member Resources.

We now have about 150 items supporting KAM in different ways that you can pull down from the website any time you need to find out more. KAM programme directors (i.e. everyone charged with developing KAM in their organisation) constantly need to explore new approaches and key account managers can be quite isolated, trying to deliver KAM to their key accounts without much support from their own organisation.

Others may have missed their company's KAM training and find opportunities to catch up are few. AKAM aims to help by offering you resource material 'on tap', available whenever you need it, wherever you are.

Meetings are free to members (except online members), of course, and we hope to resume in November in Lisbon, with a strong lineup focusing on Strategic account planning. But we can't yet confirm it will go ahead: we'll make the decision with our host ISEG in late summer. While we are unable to meet together, we urge you to use the member network to reach out to your peers in KAM.



Member resources

Member network A complete list of all members with their organisation, country and email address, for you to contact to question or ask for advice.

Understanding KAM Papers and articles, from academic papers to shorter practitioner pieces about all aspects of KAM, so you can search for input on specific KAM topics.

Diagnostics and tools Frameworks and analyses to help you, from interpreting and communicating the situation to organising major inputs like strategic key account plans and progress on transitioning to KAM.

Case studies Practical examples that, being one step removed from your situation, enable exploration of critical attitudes, potential and barriers, leading to discoveries applicable in your company.

Videos Short interviews with industry leaders, where their approach can add to your insight.

Webinars Recordings of all our webinars, so you can catch up on any you missed.

Meetings and events Speaker presentations from AKAM meetings: many of them work well as standalone presentations, a few are not so easy to understand just from the slides!

AKAM Technical workshops Material from half day workshops with substantial content on specific elements of KAM, offering valuable learning.

Recent additions to member resources

Understanding KAM, papers and articles:

2019 Global Supplier Relationship Management Research Report, Harnessing and growing supplier innovation.

KAM in the coronacrisis

Collaboration beats commoditisation

Stuck on your KAM journey?

Case study:

KAM failure in outsourced services

3rd annual conference presentations:

Account team effectiveness

What makes KSAM programs fail?

Account Based Marketing (ABM)

Bipolar KAM

Value creation and value propositions.

Practical KAM implementation

Webinars

KAM Software Technology

KAM in the Corona crisis

The meaning of trust in KAM

Membership packages

As people and organisations involved in Key Account Management have different circumstances and different needs, AKAM offers a flexible range of annual memberships

Subscription to the Bulletin is FREE for EVERYONE! Just go to A4KAM.org and enter your name and email address – that's all!

For Individuals

Full individual membership gets you:

- workshops/conference meetings, normally 3 AKAM Technical workshops alongside 3 full-day participative meetings around Europe
- member-only webinars, monthly from April
- access to Member Resources, 150 items on the website and growing
- email networking among peers
- and more support and advice

All for just **€180pa**, everything then FREE (not just discounted!).

For Organisations

Programme Membership

gets your organisation:

- 10 Full individual memberships, with all the individual benefits
- 2 memberships of the Programme Directors Forum, meeting in person 1/ 2 times pa plus bimonthly virtual meetings.

Designed to give expert and peer support to KAM Programme Directors to help them develop KAM in their organisations. You will benefit from the experience and practical advice of peers on issues chosen by the members. Tangible benefits for **€2500pa**.

What is AKAM doing?

- communicating with business, academia and the wider world to gain proper understanding and recognition of KAM
- professionalising key account managers' skills through defining required competencies; a development curriculum; and certifying development programmes leading to an independent, recognised formal qualification in KAM. PLUS our Key Account Manager of the Year Award!
- facilitating the sharing of KAM knowledge and the latest research, learning, practices and variations from around the world.
- sponsoring research into under-explored aspects of KAM and linking practitioners and academics to the benefit of both.

Special offer: 'Cluster' membership - 4 for the price of 3.

If there are 3 people in your organisation who would like to join as Full members, we'll give you one extra Full membership FREE.

Go to A4KAM.org/ Join AKAM, easy sign up with a any credit or debit card.

Online individual membership gets you:

Join ONLINE 

ALL of the above EXCEPT workshops/conference/ meetings.

If you are unlikely to ever reach an event in person you don't have to miss out on all the other benefits.

Online membership is just **€90pa**.

Corporate Membership

gets your organisation:

- Virtually unlimited number of Full individual memberships, with all the benefits above (max. 6 per workshop/meeting)
- 2 memberships of the Programme Directors Forum as above
- seat on the AKAM Board with opportunity to influence its direction
- close engagement with and support from AKAM

Designed for large companies wishing to reach and support their KAM people spread across multiple organisations and regions, alongside gaining support for their KAM programme in complex situations. An opportunity to make corporate membership meet your needs for **€5000pa**.

Let's talk: please email first to info@a4kam.org or to the Chairman Dr Diana Woodburn on woodburn@marketingbp.com

The AKAM community



Full corporate and programme members and affiliates

We joined AKAM two years ago and we believe it's the only vehicle out there to give us the support that we need, for our upcoming key account managers and for me, by assisting in the development of our KAM program.

John Bailey, Programme Member, Hiab Sweden

We joined AKAM 3 years ago. Without the input of AKAM we can't generate the forward-looking thinking in KAM that we need, we can't gather best practice and we don't have access to really insightful academic information.

Geoff Quinn, Corporate Member, Pfizer Global



Contact AKAM
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Diana Woodburn
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