

Is trust in KAM obsolete?



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The Challenger Sale

The Challenger Sale' approach was released by Dixon and Adamson in 2011 as a self-confessed advancement in value-based selling. Their approach captured the attention of the selling profession and academia primarily in its bold assertion that traditional Relationship Selling and Key Account Management are redundant.

They argue that organisations that over-emphasise customer satisfaction and customer relationship development had created passive sellers who avoid conflict – wrongly assuming it damages the relationship. They contested that the customer relationship was a reward for the knowledge-based seller who can:

- offer new insight into the customer's operations ('Teach for Difference')
- be an intelligent, adaptive seller with organisational authority to agree a flexible customer-specific solution design with the aptitude to gain internal buy-in from their organisation ('Tailor for Resonance')
- leverage their maturity, experience and emotional intelligence to guide their customer through the sales process of their value proposition ('Take Control').

A Point To Prove

My Master's research thesis, "Exploring to what extent is trust important in the Challenger Selling approach", addressed Dixon and Adamson's assertion that a salesperson can successfully influence a customer's thinking to a point where they will endorse wholesale business change without the need for a pre-established

relationship. This presumes that trust is not essential either.

I interviewed 20 Procurement and Sales professionals in 12 companies. Analysis concluded that a Key Account Manager with pre-established relationships would find value in the knowledge-based, Challenger-style, value-based selling approach, leveraging their customer contacts to sponsor their message to senior decision-makers. However, it was not conclusive that this approach would work for any salesperson: Trust starts with credibility, and it is credibility that takes time to earn in the eyes of the customer.

Credibility

Credibility is both individual and organisational. The key customer is attached to the organisational brand as well as the KAM relationship, which is built upon their experience of working with each through good times and in managing the conflicts together. The customer and Key Account Manager build more than rapport; they build respect for each other, dependency in some cases, and form a trust-based relationship.

Experienced customers collectively recognise the value in the soft skills – typically demonstrated by KAM – such as having internal influence and decision-making authority to commit project management or production resources, and strong communication skills and aptitude to decipher and promote the business needs of the key customer internally. The Key Account Manager intimately learns about the customer's enterprise and earns credibility through proven successes in delivering the customer value-adding products and services. He/she so earns the ability to contest or

challenge the customer's thinking.

The customer will quickly evaluate whether the unknown salesperson is presenting their insights with benevolence – helping the customer to answer an unrecognised or undisclosed business problem with a value-based proposal – or is only acting in an opportunistic manner for a short-term, self-centred gain with a misaligned sales pitch that doesn't fully answer the customer's problem. This opportunistic behaviour is incongruent with KAM practice where business relationships are expected to develop over years.

"If I see anybody over the age of thirty who has evidence of a stable career [in our industry], evidence of internal relationship management and communication skills, that gives us confidence. Then I am prepared to listen to that person and be challenged"
– Head of Strategic Procurement, Oil Company

Managing Behaviours

Following credibility, customers need to see consistent and customer-centric sales behaviours from the account team. The Key Account Manager is held responsible for leading by example to their account teams, demonstrating mature, customer-centric sales behaviours and instilling fundamental pre-cursors to credibility and positive individual reputation:

1. Consistent – Delivers promises
2. Reliable – Communicate and share information
3. Commitment – Customer-centric

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4. Knowledgeable – Subject-matter expert
5. Conduit – Access into supplier organisation
6. Performance – Provide a service
7. Influential – Has access to and influence over resources
8. Professional – Prepared, informed and competent

The Key Account Manager gains additional credibility from their ability to manage their account team's behaviours. They fully understand the customer's DNA and create consistency in the account management approach. By co-ordinating contact, standardising communications into the customer's language, and reinforcing the strategic alignment of the key customer relationship internally, the Key Account Manager's objective is to avoid opportunistic selling behaviours. That further accentuates organisational trust by demonstrating internal authority and team respect for the Key Account Manager directing consistent customer engagement.

"If they [salespeople/Key Account Managers] come in and they're well-prepared, they've done their homework, they're briefed, they understand who I am, what my role is, and have identified opportunities where they have a fit, then that reflects positively to me. It reflects a mature company"
 – Supply Chain Director, Construction company

Enter the Key Account Manager

Building on individual credibility, organisational or brand reputation

and competent management of internal communications and sales teams behaviours, the key customer may choose to develop trusted relationships with key individuals – especially the Key Account Manager.

Why do customers want to develop relationships? Experienced customers recognise there is a competitive advantage in having a discrete Key Account Manager dedicated to their business success. Beyond the day-to-day sales management deliverables, the Key Account Manager is boundary-spanning. A trusted individual gains access to sensitive business strategic information because they have proven that, with the right information, they can bring the key customer relevant insights – new knowledge – with which they can steer a new course for their organisation.

The Key Account Manager embodies a competitive advantage: Researching industry trends, regulatory changes, potential risks and obstacles that could disrupt the customer's operations if not acted upon. KAM delivers this rich information as challenges or insights that test the customer's existing viewpoints and offers innovative products and services that would best fit the customer's new business direction. This business development aptitude differentiates a "Challenger Key Account Manager" who intelligent key customers embrace as a true trusted business partner. Both will sponsor joint value propositions in each other's organisations to achieve true "win-win".

Summary

The fundamentals of developing a trust-based relationship with anyone is to demonstrate commitment and consistency in behaviour. The aim of the Key Account Manager is not always to

"It's about your own personal experiences [of the Key Account Manager], and you're on the same level, because you each know where the pain is, where the trends have caused problems in the past and a supplier is saying 'I understand that and have solutions to help you'. That industry knowledge, not only past and present but also future, is very insightful and valuable"
 – VP Strategic Procurement, Construction Company

be liked, but respected for their ability to deliver their promises and get things done. Every customer appreciates having extra pairs of hands working for their benefit. The astute Key Account Manager understands and co-ordinates a consistent approach across their account/sales team.

To answer Dixon and Adamson, my research shows that, without a pre-established relationship, it would be difficult for an unknown salesperson and organisation (brand) to quickly shift a customer's business thinking. That's not to say never; it would likely take a much longer time to establish credibility and therefore trust in the offering. Whereas in comparison, a key customer with an established account sales team and Key Account Manager at the helm could more reasonably award a sale based on their historical experiences trading together. "Better the devil you know..."

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