

# AKAM BULLETIN

The Association for  
Key Account Management

## In this Issue:

**How much is  
your key account  
worth?**

**Terminology  
matters!**

**Building a strong  
KAM training  
programme**

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**Plus:  
Events and  
opportunities**

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# editorial



## Dr Diana Woodburn

AKAM Chairman



[www.a4kam.org](http://www.a4kam.org)



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Key Account Management

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## KAMaraderie

The pandemic is still rumbling and raging around the world, and business is still not back to normal. Nor does it look like it will be for quite some time to come. So, reluctantly, we have decided that the next Conference will be online. Even if the pandemic has subsided by then, organisations we've talked to say they will remain wary about allowing travel, which calls into doubt whether attendance at a face-to-face conference could be sufficient. Nevertheless, we will have a conference (provisionally on 8th & 9th March), we won't cancel this year. If you have something worthwhile to say to other KAM professionals as a speaker, please get in touch: we will start to fill the line-up over the autumn.

We're very excited to have our first successful Professional Diploma holder (as opposed to the Diploma by study with IESEG, which is into its 4th year)! Ethan McKenzie proved that if you are an experienced key account manager, i.e. you already have the competencies and just need to prove that to us, and you just get on with the task, it doesn't take so long. So think about doing it yourself – in these uncertain times, having a qualification in your current profession from an independent institution is a real asset.

If you are a new or less experienced key account manager, you may still have a lot to learn, and soon we will be able to offer you the right qualification for your situation. For the last year AKAM has been working with the Technological University of Dublin in Ireland to establish an online, taught course which will also give you a qualification, albeit of a different kind. Successful students gain a Postgraduate Certificate in KAM with 30 ECTS (European credit transfer points) which you can put towards further study (like a Master's degree) if you wish, and demonstrate the credentials of the course. It's designed so you can do it in your own time, while you work, wherever you are in the world, but it is a significant commitment of time. The first students start in January 2022! We are just finalising details with the University, so more about it in the next Bulletin. But if you are interested, let us know via [info@a4kam.org](mailto:info@a4kam.org).

We feel that these qualifications are an excellent way of gaining recognition for the KAM profession as a whole, so they benefit all of us.

Lastly, we'll soon be publicising the Key Account Manager of the Year Award, please think about that too. Could it be you this year?

Best wishes

Dr. Diana Woodburn  
AKAM Chairman  
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Key Account Management?

"I have found your webinars to be very educational. Everyone that I have listened to presents well. I have taken many key take-a-ways from the webinars and I am working on a daily basis to implement into my daily work as a Key Account Manager, learning new skills as I grow."

**Robert Ladson,**  
AKAM Individual member,  
USA

## Webinars

(To register for member-only webinars [click here](#), for open webinars [click here](#).

- |  |   |
|--|---|
| <p>▶ <b>Member Webinar</b><br/>Friday 1st October</p> <p>▶ <b>Open Webinar</b><br/>Friday 22nd October</p> <p>▶ <b>Member Webinar</b><br/>Friday 12th November</p> <p>▶ <b>Open Webinar</b><br/>Friday 3rd December</p> <p>▶ <b>Member Webinar</b><br/>Friday 14th January</p> <p>▶ <b>Open Webinar</b><br/>Friday 22nd February</p> | <p>Leadership in Global Account Management: latest research<br/>Professor Sylvie Lacoste, Excelia Business School, France</p> <p>How to build a compelling Value Proposition for Key Accounts<br/>Paul Wilson, prev. Viatris, UK</p> <p>Integrating functions through KAM<br/>Dr Simon Templar, Cranfield School of Management</p> <p>Geoff Quinn, KAM Centre of Excellence Pfizer Biopharmaceuticals</p> <p>Professor Jakob Rehme, Linköping University. Sweden</p> <p>Developing KAM structures: removing roadblocks and bottlenecks<br/>Dominykas Cibulskas, SIA ZB, Lithuania</p> |
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# Events and opportunities

## NEXT WEBINAR:

### Leadership in Global Account Management

Friday 1st October  
(Members only)

Professor Sylvie Lacoste shares her latest research on leadership in GAM and what it means for global account managers who work in necessarily matrix structures, but superimposed on vertically-led organisations.

Learn:

- how to reconcile two leadership perspectives: internally, to bring together their own company stakeholders and externally, within the customer company.
- the type of leadership to display in different situations, relative to global account managers' internal and the external environments.
- a typology of leadership approaches which global account managers may adopt to best adapt to their fluctuating environment.

Sylvie Lacoste spent 20 years in industry, including roles as European Key Account Manager and Global Key Account Director, before joining academia. She is the author of the book 'Management des Grandes Comptes' as well as many papers and articles on KAM/GAM. Sylvie is a Professor at Excelia Business School in France and guest professor at HEC Lausanne in Switzerland.



### 4th AKAM 'Annual' Conference

8th & 9th March, 2022

Having been obliged to cancel the conference this year, we really hoped to be able to hold the next one in person. It now seems that, even if we could be sure that the pandemic had subsided by next March, companies would still be reluctant to allow travel. So the 2022 Conference will be online.

AKAM will be building the speaker lineup this autumn. If you have something valuable to communicate to other KAM professionals, we'd be happy to give you a platform. Please get in touch with Diana Woodburn [woodburn@marketingbp.com](mailto:woodburn@marketingbp.com) or [info@a4kam.org](mailto:info@a4kam.org).

### 5th Edition Strategic Account Management Conference



Berlin, Germany | Option to attend virtually  
20th – 22nd October, 2021 | 08:30 CET

Drive business growth and profitability by reinforced performance and added value CRM

AKAM is partnering with marcus evans for the upcoming 5th Edition Strategic Account Management conference 20th-22nd October, 2021 virtually and in Berlin, Germany. The conference will serve as a cross-industry platform to discuss the latest challenges of strategic account management, and how to build successful client partnerships to drive business resilience, optimise business growth and secure profitability.

**Best Practices and Case Studies from:**

- Diana Woodburn, Chairman, AKAM
- Serkan Otles, Senior Director, Global Head of Business Development, Philips
- Christoph Manseder, Sales Director, Vestas
- Per Rosengren, Director, Global Terminal Operators, Cargotec
- Branislav Riha, Global Head of Key Account, Mondi
- Christian Harupa, Senior Director, Global Strategic Account Management, Commercial Leadership Team, HAVI Europe
- Ruth Munday, Head of Sales and Solutions EMEA, HAYS

As an AKAM subscriber you are entitled to €200 discount: apply discount code ME200 when registering on the event website. [Click here](#)

For further information please contact: Ria Kiaya, Digital Media & PR Executive at marcus evans, [riak@marcusevanscy.com](mailto:riak@marcusevanscy.com)

### Group KAM Manager

Cyril Przybyl, who has done a great job of developing Vetoquinol's KAM programme over the last six years, is moving on in the organisation, so the company is seeking a new KAM leader.

This is an exciting opportunity, based in Paris but with frequent travel, for an experienced and influential key account manager and leader to develop and steer the organisation's KAM programme, to which Vetoquinol is committed. The successful applicant will:

- define and develop the KAM strategy for the Group
- develop and lead the KAM network
- promote the KAM concept throughout the organisation



Interested? [Click here](#)



# How much is your key account worth?

Richard Ilsley

## Customer Lifetime Value and Customer Profitability

Companies – and Key Account Managers - must consider the long term profitability of their key accounts. Anything less could be considered a dereliction of duty to their shareholders.

Ability to deliver differentiated value to the customer determines how successful you will be. Because if the customer does not see any unique value - if they do not see that you are doing anything different from your competitors to make them better off - then their selection will be based on price, and that's a miserable downward spiral whether you win the business or not.

You must be aware of the value key customers bring to you. Although if your company is not better off as well, then there is little point in doing business with them at all. The aim is not to sell products, the aim is to make profit. Which is why we are so interested in Gross Profit Margin and the costs incurred in serving the customer. Focus only on gross sales and you will find that some key customers are loss-making.

## Customer Lifetime Value

Customer Lifetime Value (CLV) is a useful measure, i.e. the value the customer brings over the longer term, which is helpful because it enables us to think about:

- what type of customers are most interesting over the longer term
- the ideal customer profile
- the mix of customers we want to have in the future.

There are various interpretations of Customer Lifetime Value, so you need to understand exactly what you mean by it. 'Lifetime' is the length of the relationship with the customer, not the lifetime of the customer! And 'value' means the contribution or net profit gained from the customer, i.e. gross profit (sales less cost of goods) less the cost to serve. It's worth finding out the

The aim is not to sell products, the aim is to make profit.

cost to serve each key customer (they can be very different) while the exact cost to serve other customers is generally not calculated. You can work out an approximate figure for different types of customer based upon the number of deliveries; the complexity of the business; the intensity of the customer support and so on.

The higher the gross margin and the lower the cost to serve, the more profitable the customer's business is. However, a customer with a lower gross profit may still be interesting if the cost to serve is low and, conversely, a customer with a high gross margin may be less profitable if the cost to serve is very high, e.g. when a lot of services are given away without collecting a fee for them.

Customer Lifetime Value is the amount of net profit gained from the customer over the life of the relationship with the customer.

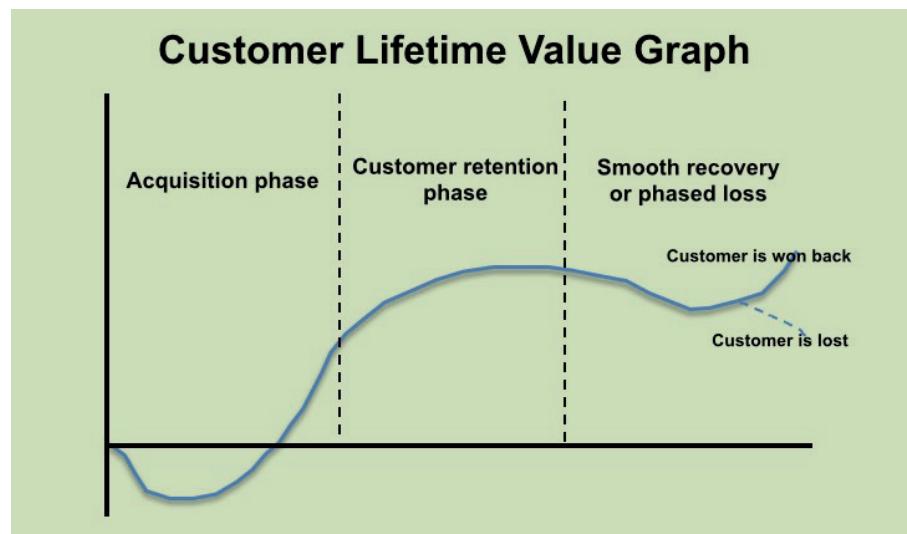
An awareness of the potential lifetime value helps us think about which customers are most interesting over the longer term and so which customers should be targeted over the coming period. Not all customers are equal and

simply targeting large customers - or perhaps just waiting for the customer to come to us with an RFP/RFQ - is unlikely to result in the best mix of customers.

The first graph suggests that you must constantly look for ways to develop your value position with key customers. Otherwise you may become complacent and take large, long-term customers for granted. It is dangerous to assume that even a great relationship with a customer that the company has had for years means you will always have their business.

Furthermore, just as you target your competitors and their high-profile customers, they will target your key customers. If your competitors are smart, they will be looking for opportunities to show that they can bring more value – just like you. The danger is that, over time, you shift your focus away from long-term profitable customers, allow a competitor in and perhaps lose some business, which reduces overall customer profitability. Everyone has seen such examples. You must use value development to protect existing business as well as target new business with the customer.

A graph of time v profit shows that, while it costs a substantial sum of money to win a key customer (more later), if successful, a period of strong profitability follows. However, if you are not careful, this profitability may decline or even disappear under competitive pressure. (Figure 1)



(Figure 1)

# How much is your key account worth? (cont.)

## Acquisition costs

The costs of winning a new customer can be very high, especially a potential key account. You might be talking with a potential customer, making presentations, sourcing products, testing samples and so on for many months or even years before you actually make a sale. All this costs money and if you don't win the customer then you will not see any return on this investment of time and effort. So being aware of the cost of winning a new customer is important. Then the longer you can retain a customer, the better off you should be. (Figure 2)

Of course, your business is more complicated than the car-dealer, which is good news because you have more opportunities to gain value from the customer. However, the fictitious but realistic car-dealer example suggests that:

- if you fail to retain long-term working relationships with your customers
- if you are constantly churning customers (winning business one year but then losing it the next year – which is typical for business won on price)

## Case example: cars

Car-dealers and car manufacturers spend a huge amount of money to advertise and promote their cars, but do they get a return on that expenditure?

The dealer can calculate the cost of acquiring one new customer as total costs of acquisition (all the costs of marketing and selling) divided by the number of cars sold to new customers.

Then if, for example, the car-dealer makes €2,500 of profit on selling a new car but the cost to acquire a new customer is also €2,500, then the dealer makes no profit on new customers.

But suppose the dealer has great after-sales service and really looks after their customers, so that 80% go on to buy a second new car and perhaps 50% go on to buy a third new car from them. Now the cost of acquisition for the second and third purchase is very little and the dealer starts to make profit from these customers.

Note that the dealer does not make any profit until the customer buys a second car.

(Figure 2)

## The Loyalty Effect

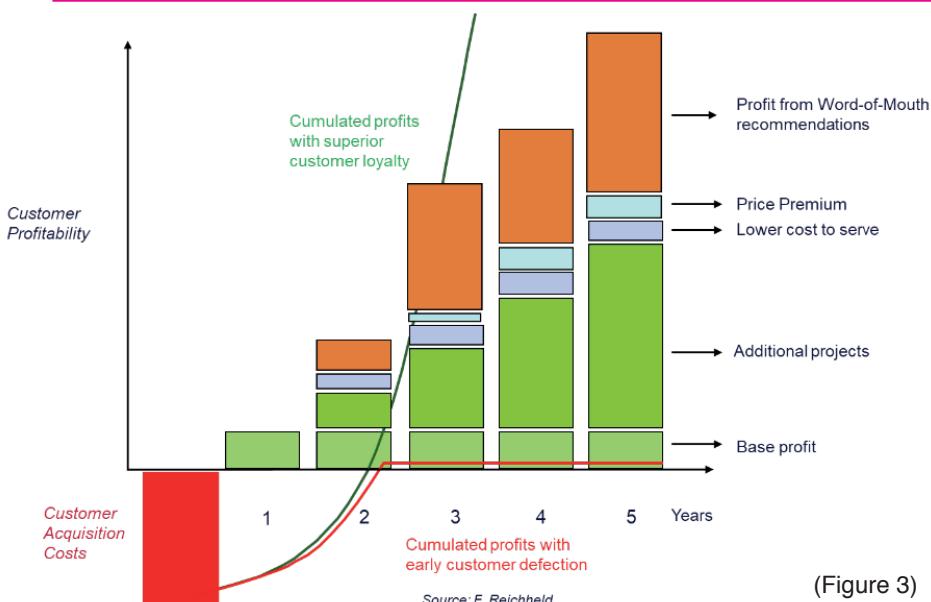
= Total value delivered by the customer over the lifetime of the relationship

In the 1990s Fred Reichheld from Bain strategy consultants developed a model that considered all the profit benefits available from a long-term loyal customer.

The graph (Figure 3) is a hypothetical example to illustrate a point which maps time v incremental profit. As it takes time and effort (= money) to win a new customer, you actually lose money before the customer buys anything. This shows in the graph as a loss in Year 0. There is some operating profit in the first year of trading but it may not be enough to cover costs already incurred. This example shows no net profit from the customer (trading profit less acquisition costs) until the end of Year 2. So if the customer were lost at the end of Year 2 then you would not have made any real profit at all.

But if the relationship is successful in Year 1, there should be additional business and therefore profit in subsequent years as you gain more of the customer's 'wallet'.

## Incremental profit growth over time



# How much is your key account worth? (cont.)

**Lower costs** As your relationship and share grows, you should experience lower costs to serve through gaining a greater understanding of how best to service the customer and becoming more efficient, e.g. leveraging greater purchasing power with your own suppliers.

**Price maintenance** At the same time you should be working hard to identify incremental value to bring to the customer from service support solutions, and that will help you protect and increase your price. Once a certain share of the customer's business is gained then the cost of switching suppliers for the customer may be high, allowing price maintenance despite competitive pressure.

**Recommendations** If you establish very strong working relationships across the customer, you should find that the customer will either recommend your company to other divisions or be prepared to act as a reference site for you, which supports profitability indirectly.

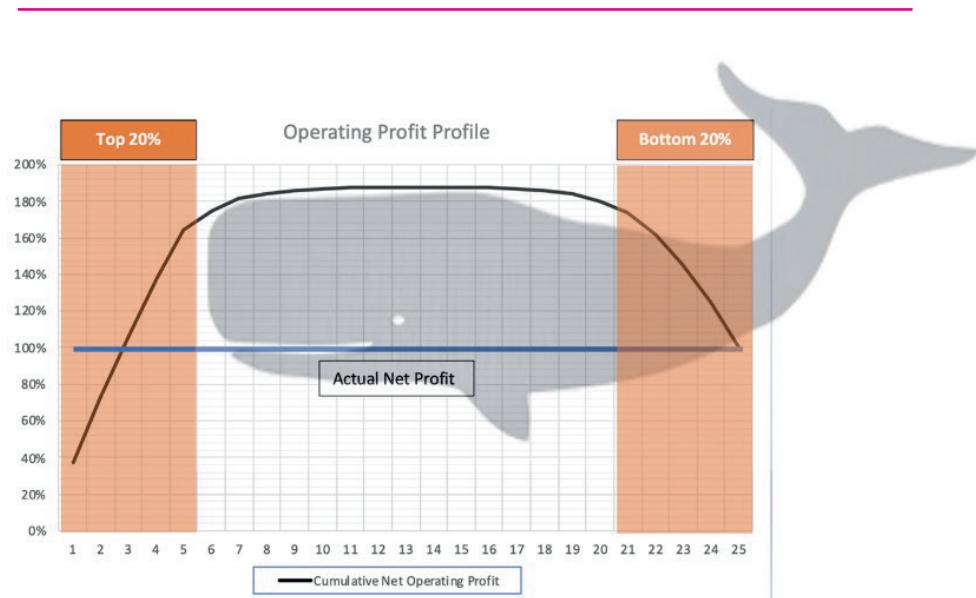
This analysis shows that the longer the customer relationship, the greater the profit from a customer should be, provided that you continue to work hard to support and service them and constantly identify new ways to add customer value. Long-term customers tend to be more profitable than newer customers. Whilst you may be able to replace the revenue if you lose a long-term customer, it is much more difficult to replace the profit.

## The Whale Chart

### Overall profitability

The business is made up of many customers which together deliver the profit of the sector or the region and ultimately the company, hence the 'Whale Chart'.

To construct a Whale Chart, calculate the individual profitability for each key customer, but you may assess customer profitability for the rest based on gross profit and an estimate of the cost to serve for this type of customer. Then



(Figure 4)

You may be able to replace the revenue if you lose a long-term customer, it is much more difficult to replace the profit.

graph the customers starting with the most profitable on the left of the x-axis, running through to the least profitable (most often loss-making) customers on the right. The resulting curve could be said to resemble a whale coming up for air - hence the name. (Figure 4)

It is not uncommon to find that:

- 20-30% of customers make 2-3 times the total profit
- 50-60% of customers make no profit
- 20-30% are losing money for the company.

This simplified example shows a company with 25 customers which is making nearly double its total profit with 20% (7!) of its customers, but then losing half of that profit with 20% of its customers and making no profit with 60% of its customers. So 100% of the profit is made up of 25 customers but

180% of the profit is delivered by 7 customers. All actual figures will depend on the specific situation and exactly how the company measures profit.

The main point is that some of your customers are highly profitable and some will be highly loss making. Understanding which are more likely to be profit making helps you target and apply resource to the right customers.

## Conclusion

Business is about making a profit, and in many cases sales does not equal a profit. Of course, if you don't sell anything, you can't make a profit, but you can easily make a loss, especially with key customers. You have to work very hard to make big losses on small customers, but you can do it quite easily with a key customer. Which makes fully understanding the profitability of the business – costs of acquisition and costs to serve as well as costs of sale – is essential, and not as common as it should be.

**Richard Iilsley**  
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# Getting qualified in KAM



COVID has increased uncertainty in most sectors across the world - uncertainty in costs, uncertainty of supply, and uncertainty of employment. Having relevant qualifications to demonstrate your competencies more important than ever, if you are looking for a new job. It's also well worth making sure that your current organisation fully understands what you are doing, how you do it and what it takes to deliver it.

"We wanted to set an expectation that people need to further educate themselves on the complexity of KAM. The Diploma will help drive KAM as a career pathway within our organisation and set us apart from regular sales reps."

**Craig Manser**

In the current climate the AKAM Professional Diploma in Key Account Management represents a valuable endorsement of your capabilities. Adam Sims, a Diploma registrant currently working on capturing his competencies, said:

- "The Diploma demonstrates abilities in KAM field – it specialises the role and adds transparency inside the organisation.
- It satisfies my desire to increase knowledge in the KAM arena and it's a value-add to demonstrate professional abilities which will be reflected in contacts with customers.
- COVID has strengthened the need for qualifications and the Diploma future proofs my career!"

"The competency route enables us to detail what we do as key account managers and provides a qualification that differentiates us from other colleagues."

**Nick Harvey**

"We decided as a group to increase our knowledge base and get a professional qualification.

I am also very keen to develop greater skills and abilities within the role and the Diploma is a great way to demonstrate this."

**Graham Reynolds**

The Diploma works through RPL - Recognition of Prior Learning - so it's designed to enable experienced Key account managers to establish their capabilities with an independent, specialised institution. It's an invaluable way of differentiating yourself from straightforward sales roles and standing out from the crowd: that's certainly what some of the current Professional Diploma registrants say.

"It's great that there is a formal qualification for account management which helps to define the role of an account manager. I want to increase my knowledge of account management, to improve my skills in my role and to work more effectively with my customers."

**Michelle Crouch**

You can read all about it on the website A4KAM.org.[Click here](#). You would be working through the process at your own pace, wherever you are in the world, and if you sign up in 2021 you will receive support throughout the process of documenting and evidencing your competences.

You can sign up today and get started!

**Congratulations,  
Ethan McKenzie  
DipProKAM!**

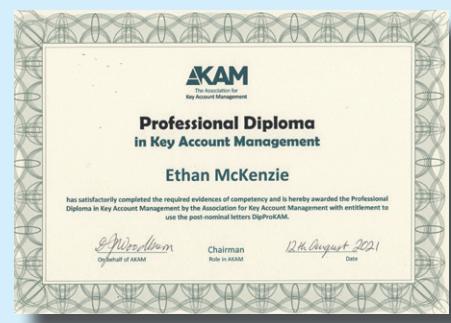


Ethan McKenzie, of Pfizer Australia's Biopharmaceuticals Hospital Business Unit, is the first Key Account Manager to complete his record of KAM competencies and achieve the Professional Diploma in Key Account Management! Well done, Ethan!

Explaining why he registered for the Diploma, he said, "It lends credibility to my chosen career path as a key account manager. It will also help distinguish me to my customer against other customer facing roles within the industry."

Ethan knuckled down to the task of documenting his competencies in alignment with AKAM's guidelines in just 4 months. He amply demonstrated to AKAM that he is an experienced and competent key account manager, and now he has the qualification to demonstrate that to anyone else.

On receiving the news that he had passed, he said, "Fantastic! That's exciting and very satisfying to have this accreditation which demonstrates my work!"



# Terminology matters!

Dr Diana Woodburn, AKAM Chairman

The difficulty of gaining commitment to KAM across the organisation was a hot topic at a recent Programme Directors Forum. A lack of understanding of what KAM is seems to be a large part of the problem. And yet programme leaders spend huge amounts of time trying to get the idea across and, seemingly, failing. Amid suspicions that some functions might be willfully blocking the initiative, the dominant issue appears simply to be confusion and poor comprehension around KAM as a working concept in the organisation.

In such a situation, clarity is essential. And yet, during the discussion, we realised that several commonly used terms in KAM were quite ambiguous and were being used in different senses in different companies, and probably being understood in different senses in the same organisation - which will inevitably lead to confusion that KAM cannot afford.

For example, at the Programme Directors Forum on 'Local to Global Account Management', some companies used the term to mean globally aligned key account management, while others applied it as the management of global accounts. These are two very different things: on one hand, globally aligned KAM would be a collection of KAM tools, processes and practices that are applied to important customers across the world, who may not necessarily be globally trading accounts. On the other hand, management of global accounts is an approach reserved for customers operating in a majority of regions across the world. It looks like a fine distinction when it's just words in writing, but it's a massive difference in reality, particularly in the quantity and distribution of resources.

I will be making a similar distinction (virtually) at the Strategic Account Management conference in October (see p4), talking about the crucial differences in 'Strategic management of accounts or management of strategic accounts?' The former could be a valid sales strategy, while the latter requires KAM, 'the whole 9 yards'!

The Programme Directors Forum is part of a formal AKAM corporate membership. It meets bimonthly online for peers to exchange experience and insight into KAM issues chosen by members. If your organisation could be interested in gaining such support for its KAM programme leader, [click here](#)

When the Programme Directors Forum tackled the question of KAM teams, we discovered several interpretations of the term all existing under the same 'umbrella'. Given that other people in the company might be recruited into a 'KAM team', it is particularly important that they know what that means. Four different interpretations of the term were found, all named the same:

Is the KAM team

1. The group of key account managers (Key Account Department)?
2. A cross-functional group that supports the key account director (KAM Programme Support)?
3. A cross-functional group that supports a specific key account and key account manager (Key Account Development Team)?
4. A generally geographically-based group that delivers product and service commitments to a specific key account (Key Account Delivery Team)?

A team is defined as a group of people who have the same objectives, so:

1. The Key Account Department is unlikely to constitute a team according to this definition (unless they are entirely recognised and incentivised by overall company/customer success).
2. KAM Programme Support may constitute a team as far as the overall KAM program is concerned,



but it's debatable whether everyone would have the same objectives when/ if it's used to support key account managers on an ad hoc basis. An ad hoc group cannot operate and communicate as a team for specific key accounts/key account managers.

3. Key Account Development Teams constitute the kind of team seen as essential in underpinning real KAM, developing strategic account plans and working with the customer's and their own organisation to make necessary changes.
4. Key Account Delivery Teams are often an important part of delivering KAM, especially to the norm of key accounts with multiple locations, but are often overlooked, not formalized and difficult/ controversial.

It would be better to use these four titles rather than the all-encompassing and therefore baffling 'KAM team'.

If we use KAM terminology casually and imprecisely we can hardly be surprised if the rest of the organisation is confused and uncooperative. Clarity is an invaluable route to gaining confidence and cooperation from top to bottom of the organisation. So stressing the importance of using the right terminology may look picky but, actually, it really matters.



# Building a strong KAM training programme

Dr Olivier Rivière

## PART 1: 5 principles for a strong KAM training approach

KAM training and skills development is a crucial topic whether starting a new KAM/GAM Programme or further developing an existing one. But in reality, it does not always receive an adequate level of attention. Performing in KAM requires both capabilities from the organisation and skills and competencies from the people involved in the execution of the KAM initiative.

- ‘Skills’ means a combination of knowledge and mastery of techniques which enables individuals to perform specific tasks.
- ‘Competencies’ (at individual level) and ‘capabilities’ (at organisational level) are the capacity to adequately combine skills with systems, processes and rituals according to the context, in order to manage situations and achieve goals.

Not surprisingly, developing these individual and collective qualities takes time and there must be a maturing process. However, the development of KAM skills and competencies works best when it is engineered and driven with a structured approach. And developing the organisation’s KAM capabilities is best driven with a clear KAM methodology.

Whatever the size of your organisation and the amount of resources invested in the Key Account Management initiative, the design of the KAM training approach should leverage the following principles.

### 1.KAM maturity

*Adapt the KAM training scope to the development of KAM in your company*

A ‘normal’ starting point for KAM training does not exist, so a first parameter to consider is the state of development of your KAM initiative. When starting with KAM, you want to equip the people involved with the

basic knowledge that enables them to start their KAM-related work. If, on the contrary, your company has well-established KAM practices, your main goal with training should be to equip Key Account Managers and their teams with a common foundation. And your second goal should be to support the skills development of other people involved in KAM, in order to gradually enhance KAM competencies and capabilities.

If your KAM initiative is in its infancy, you are probably facing a need for the following actions, in chronological order:

- Broadly explore the matter of KAM before starting the design of your KAM Programme (methodology, definition and selection of key accounts, systems and tools, skills requirements, governance)
- Train the key people to be involved in the design of your first KAM methodology and processes. You should start with the KAM Programme Director/Manager and their team.
- Deliver an initial KAM training to the first Key Account Managers and teams (you could also involve KA Managers in the design of your methodology).

If, on the contrary, your company already has some experience with KAM, the potential training needs are somewhat different and can be summarized as follows:

- Deepen the training in KAM to existing Key Account Managers and their teams on carefully identified topics.
- Define or adapt the initial KAM training for newly appointed Key Account Managers and Key Account Team members
- Identify areas where training and skills development can help fix recurring issues and take your KAM initiative to its next level of maturity and efficiency.

## 2. KAM methodology

*Link KAM training content to your organisation's KAM approach*

Seasoned practitioners know the Charybdis and Scylla of KAM very well. They are the excess and the lack of methodology. This also applies to KAM training.

Charybdis: the KAM training and the complementary skills development measures are not rooted in the company’s own methodology and processes.

Scylla: the KAM training is purely focused on implementing a few specific processes without equipping the audience with a broader view of KAM.

Unfortunately, these two types of situation are encountered quite often, although the first (no link between the training and the organisation’s methodology) is probably the most frequent. In all cases, when one of these two situations occurs, the impact of the training is low and short-lived.

In the course of my career as a manager in charge of KAM, then as a consultant focused on this topic, I have met many Key Account Managers who had attended one or several prestigious (most often quite expensive) KAM trainings. But after the initial excitement of an interesting training and networking event, they became quite frustrated when seeing that their company was not striving to define and implement a solid methodology. This level of frustration can even lead good Key Account Managers to leave the company. So the more the participants experience your company’s methodology as the redline of the training programme, the higher the impact.

## 3. Not just Key Account Managers

*Others require KAM skills development*

A very successful medium-size, global industrial company had appointed a few Global Account Managers chartered to manage the most strategic customers. Each of them had been sent to a 5-day KAM training delivered by a prestigious

# Building a strong KAM training programme (cont.)

Institution. They were all positive about this training which gave them a broad view of KAM and enabled them to explore the matter further on their own.

At the same time they were very frustrated that their company had neither defined a KAM methodology (the point discussed above in this article) nor thought about training other populations such as the senior management team in the regions, or local sales reps, or selected members of other functions operating with global accounts.

Unfortunately, the habit of focusing KAM training only on Key Account Managers is almost the norm. In contrast, as implementing KAM means driving a significant change within the organisation, a broader audience should be trained and coached in order to support the change process. Of course, the training needs vary with the audience: not everybody should receive full KAM training, and training requirements must be addressed in a realistic and cost-effective way. This does not mean they should be ignored!

## 4. Customisation

**Good KAM training is fully tailored to your company's context**

The initial education in KAM for the people chartered to design the KAM Programme must be broad. It can combine reading, attending conferences, attending a general KAM class, visiting experienced KAM Program Directors at other companies as well as being mentored and helped by a seasoned practitioner.

Apart from this initial education, most KAM training should be customised to the company's context. It is a matter of effectiveness and obtaining the expected impact, as well as a matter of efficiency, optimising the budget and time required to achieve this impact. This does not exclude the possibility of giving the participants a broader view of the topic of KAM with examples from other industries, but the training still must reflect and leverage the company's environment specifics, methodology and toolset.

## 5. On-going support

**Without reinforcement and coaching, training is useless**

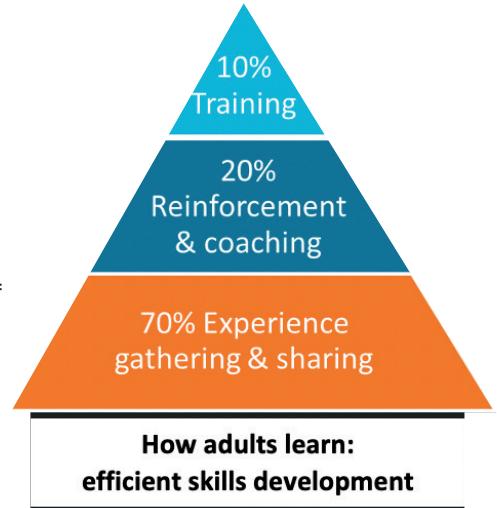
It is now well recognized that adults acquire new skills by doing. In addition, learning is one thing, practising is another, and reaching proficiency only comes through sustained practice. This is well expressed by the 'rule' that acquiring new skills results from 10% of learning, 20% of on-the-job coaching and 70% of practising. This applies particularly in KAM because it is a complex area which requires a very broad skills set. Which means that, whatever its quality, KAM training is only an initial impulsion that must be complemented with reinforcement activities starting with on-the-job coaching, individual or collective.

Reinforcement activities aim to:

1. help people remember the knowledge exposed in the training (learning)
2. help them use the appropriate knowledge and skill in a given context (practising).

The foundation of reinforcement is to organise the knowledge presented in the training in small pieces and make them easily accessible to people in the context of their job. This is best implemented using good digital tools. Sales enablement software platforms and modern CRMs can present the knowledge and the tools in the context of specific tasks.

On-the job coaching is the best complement to training and reinforcement. It helps Key Account Managers take ownership of their organisation's KAM Methodology and tool set according to their personal style and to the specific situations encountered in their accounts. Experience shows that the path towards proficiency is different for each person and coaching offers a flexible way to accompany people on this path. Coaching can also be used at team level to help find new solutions to an internal or external problem related to KAM.



Last, but by far not least, mentoring, peer-learning and experience-sharing sessions are also very efficient in helping people change their view on complex issues and find new ways to handle them. These are valuable instruments to help handle the ambiguous and tense situations often associated with Key and Global Account Management.

## Conclusion

These 5 principles provide you with a simple and effective framework to design your KAM training and skills development effort. You don't need to work on every topic simultaneously. Your chances of success will be increased by making sure your KAM training effort is well synchronised and coordinated with the other elements of your KAM initiatives, and finding the right pace for implementation.

The KAM training path (the content of the training and how it is organised in various modules) will be presented as Part 2 in the next Bulletin

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# Aiming for best practice Key Account Management?

## How can joining AKAM help?

### A KAM community actively sharing learning

AKAM has a growing membership from many sectors that reaches around the world. We make connections and build networks of experts and practitioners at all levels who share real KAM developments. AKAM's Programme Directors Forum offers a unique opportunity of peer and expert support for KAM champions.



**"Through AKAM, Hiab now has a network of likeminded professionals, consultants and academics in support of our journey to optimise Key Account Management. AKAM helped me enormously in my endeavours to learn about KAM."**

John Bailey – Director International Key & OEM Accounts, Hiab AB



### Building and certifying skills

We help develop the skills of both your experienced and new/aspiring KAM appointees. AKAM uniquely provides proper qualifications to build and acknowledge their capabilities. That advances the professionalisation of KAM - great for your people, your organisation and your customers.

### New ideas to drive KAM development

We seek out KAM experts and use multiple media to put KAM ideas in front of members. Frequent delivery of KAM-centered contact keeps even far-flung practitioners fresh and focused!

### Developing real and robust KAM thinking

Good research and theory guide great performance. We support and exchange new, researched KAM knowledge develop a productive alliance between practitioners and academia. Exchange instinctive but uninformed opinion for real knowledge!



**"Every Pfizer colleague has access to AKAM's network, its great resources on the website, engaging events and much more. Pfizer has been a proud and active corporate member of AKAM for over 5 years and will continue whilst we gain so much value."**

Geoff Quinn, Director Key Account Management Center of Excellence  
Pfizer Biopharmaceuticals Group



### Reservoir of KAM knowledge and practices for you to apply

Hundreds of items of KAM info, accessible on the website from anywhere, at any time. For KAM programme directors, key account managers and professional supporters.

## What can AKAM membership do for your organisation?

- Improve the understanding, skill sets and mindsets of your key account managers
- Clarify the direction of your KAM for everyone in your organization to bring alignment and success
- Help to revitalize your KAM initiatives
- Achieve the customer responses you hoped for

Find out more at [A4KAM.org](http://A4KAM.org). To talk about membership as an organisation, in the first instance please email [info@a4kam.org](mailto:info@a4kam.org).

