

The road to successful KAM roll-out



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Creating a key account management programme can be one of the most challenging yet rewarding projects an organisation can implement. Follow a structured approach engaging the whole organisation, and the chances of success are high. However, without the highest levels of support, a comprehensive communications strategy and a clear understanding of objectives, the programme can hit roadblocks compromising its potential.

How can you ensure that those roadblocks do not thwart your KAM programme?

Deciding to implement KAM

The success of KAM in an organisation starts from the decision to introduce the new structure. As key individuals build their

understanding of the benefits of KAM, a move to implement the strategy must be managed correctly.

When the company is making this pivotal decision, ensure the following elements are in place:

- KAM is being driven by a board-level sponsor. Without senior leadership engagement, successful implementation is virtually impossible. The board must be prepared that results will not be instantaneous.
- Realistic expectations of KAM that align with company objectives. KAM is not a short-term fix. Sales strategies bring short-term results. KAM is a major organisational change and can take a long time to bear fruit. The business must be ready to plan for the longer term when implementing KAM and all staff must understand what is expected.
- Challenge any assumptions that this is an upgrade of the company sales programme. KAM is something quite different, developing long-term relationships with your best customers,

generating mutual value.

- Ensure there is an appetite to invest in KAM. Time and money will need to be invested to get maximum value over the longer term. This must be understood across the organisation.

Implementation

Once the decision has been made, the quality and management of the implementation project will make or break its outcome. There will almost certainly be a project owner. Make sure this person has the gravitas within the business to drive KAM across all departments. The board-level sponsor is equally vital in developing and communicating the strategy to all stakeholders.

You can significantly reduce the likelihood of unwanted obstacles by adopting the following practices:

- Ensure one person is not left with the sole responsibility of delivery. The requirements of KAM across a business are too broad and varied for one person to be able to manage effectively.
- Build a competence centre or team. This should include personnel from across the organisation. Create a multi-disciplinary taskforce that can run the project, spread communication, and build engagement. This will help overcome the challenge of the solo leader.



The road to successful KAM roll-out (continued)

- One of the absolute must-haves of the implementation project is to communicate to all staff what KAM is, why the company is introducing it, and what it means to them. Any company implementing KAM is undergoing a major change that can take several years and see a wholesale shift in processes, systems, objectives and culture. Getting communication right acts as the foundation for a successful KAM programme.
- Once you have the right personnel on the project, create a plan that defines clear objectives, key milestones, and deliverables. Continually measure and monitor to ensure you are on track. This will help you identify slippage, allowing for prompt remedial action to get back on track.
- If your people do not understand KAM and its long-term objectives the chances are your KAM team will be faced with responses common to those who have hit implementation bottlenecks:
 - 'I don't have the time to do that'
 - 'It's not my job'
 - 'We don't have the resources'
- To avoid company apathy or resistance it is vital that KAM and its importance to the business is communicated from the top down. The board sponsor must take a leading role in this alongside the project owner if a different person. A competence team will support this across all parts of the organisation.

- The implementation plan must define resources needed and ensure these are in place. Failure to do so can lead to overload, missing targets, and the kind of responses described above. Building tension between departments through poor planning and lack of communication is not the way to deliver KAM.
- Prioritise. No business can implement KAM by changing everything at once. Choose three or four key areas that will deliver greatest progress and focus on those things within your plan. Your organisation will need to change significantly. Doing things gradually helps your people become used to the importance of key accounts and to deal with the effects of change.

The diagram (bottom of the page) shows the transition process from Non-KAM to KAM within an organisation. It is a useful guide to the steps required to move the organisation through implementation to a mature KAM structure.

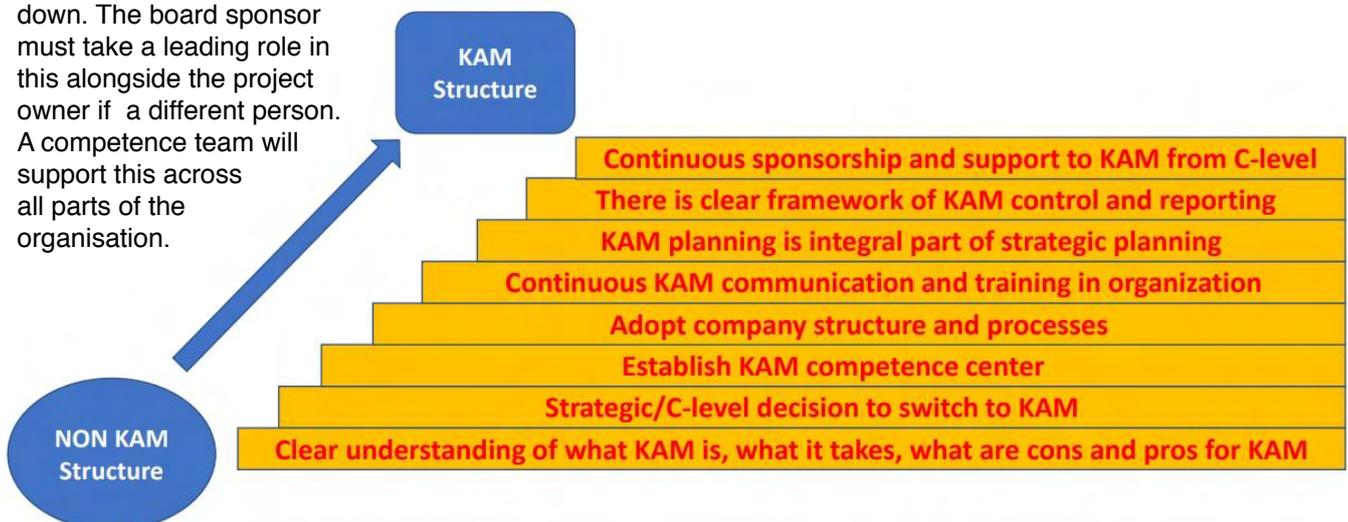
Deciding to implement KAM

Once the plan is in place, the business must decide who its key accounts are. This may sound simple but in practice it takes a lot of thought and a structured process.

The criteria for choosing those accounts will differ between companies but there are some fundamentals to keep in mind.

- 1) Identify those accounts most likely to want to collaborate with you for the long term. Are there clear synergies or strong multi-level relationships already in place between the two companies?
- 2) Where is the greatest mutual value generation? How can you leverage your strengths to make the biggest gains whilst delivering maximum benefit to your customers?
- 3) Which accounts offer the best balance between cost to serve and revenue and profit growth?

It is essential not to add every large customer to the KAM portfolio. In fact, it is advisable to start as small as possible, giving the KAM team and their colleagues the opportunity to design and implement new processes and learn new disciplines without getting overloaded. Between five and twenty accounts is a sensible starting point for a new KAM structure. In fact, if a business is managing its KAM operation successfully, it is likely to have a manageable client list. Global players rarely have more than 100 but even 50 is too many.



The road to successful KAM roll-out (continued)

Key Account Plans

Once KAM is operating, the business will deliver the best results through the quality of its key account plans. Select key account managers carefully and train them well. Remember, great salespeople are often not your best key account management candidates. They need to be able to influence internally and externally. A key account manager will have to think in strategic terms.

Knowing how to create a realistic, financially robust, strategic account plan is a difficult and time-consuming task that requires specific skills. The business has an opportunity to allow the competence team mentioned earlier to work together to create a format of a strategic plan that works for the business in all its areas. This should be agreed by the board, ensuring alignment with company objectives and strategy. The more the board is involved in this process the better. Too often C-Suite leaders admit that whilst they are happy for the business to write key account plans, they never read them. That is because they do not understand the benefits of KAM and are not engaged in it.

Drafting strategic plans are another opportunity to get closer to your customer. This should be a collaborative process, reflecting their needs and objectives as much as your own. This is the time to find new ways to serve customers, to reduce costs or improve efficiency. Can a customer need lead to innovation in product or service development within your organisation? What is happening in the business ecosystem that could affect either business? How do you plan to respond to those challenges together?

Once the format is agreed, the key account managers must be measured on the effectiveness of

their plans and whether they are delivering against them. Remember, this is not a singular operation. An effective key account plan should be continually evolving. Many KAM teams review the plan with their customers at least annually and at more regular intervals internally.



Empowering the KAM team

The organisation will have to accept that the KAM team is vital in building long term relationships with key accounts. As a result, it is imperative that the team is empowered to act on behalf of those accounts. Whether resolving customer service issues, addressing cost implications, finding improvements to processes, or suggesting system changes for better information flow, their input will intrinsically affect how successful the KAM strategy is.

The C-Suite must understand the importance of its KAM team and be prepared to delegate responsibility as much as possible. Assuming the recruitment process has been carried out effectively, key account managers can drive the business towards its key account goals and ultimate business objectives.

Conclusion

Implementing KAM can deliver major growth and the highest levels of customer loyalty to those that get it right. However, it takes a lot of effort and time to achieve. Here are the most important considerations for an implementation programme with minimal roadblocks:

- 1) Be consistent in KAM decisions. That way everyone knows what to expect and why actions are being taken.
- 2) Focus and prioritise. Like everything in life, the things you focus on are the ones you do best. You are more likely to achieve your objectives if they are realistic, aligned across the business and not too plentiful to make success impossible.
- 3) Lead from the top down. Without board level support and sponsorship, the necessary drive to achieve required organisational change will not happen.
- 4) Recruiting the right key account managers is essential. Selecting the right key accounts is equally so. These decisions will materially affect your KAM success.
- 5) KAM is not sales. If the leadership team is looking for short-term fixes to business performance, it needs to focus on leveraging sales. For those that believe long term relationships delivering mutual value are the basis of business success, KAM is the answer. The focus on the long term is the key. KAM can often take several years to reach steady state and see improved business results.
- 6) You cannot over-communicate. KAM requires a major change in process, systems, data, finance, and culture. The project leaders have a serious responsibility in helping all personnel understand their roles and responsibilities, why KAM is being implemented, what it means and so much more. This is the heart of any successful project. Given KAM is about building long term relationships, it could not be any more important.

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