

AKAM BULLETIN

The Association for
Key Account Management

In this issue:

**How to win with
Procurement**

**Account-based
growth**

**KAM: Selling
or servicing?**

Plus:

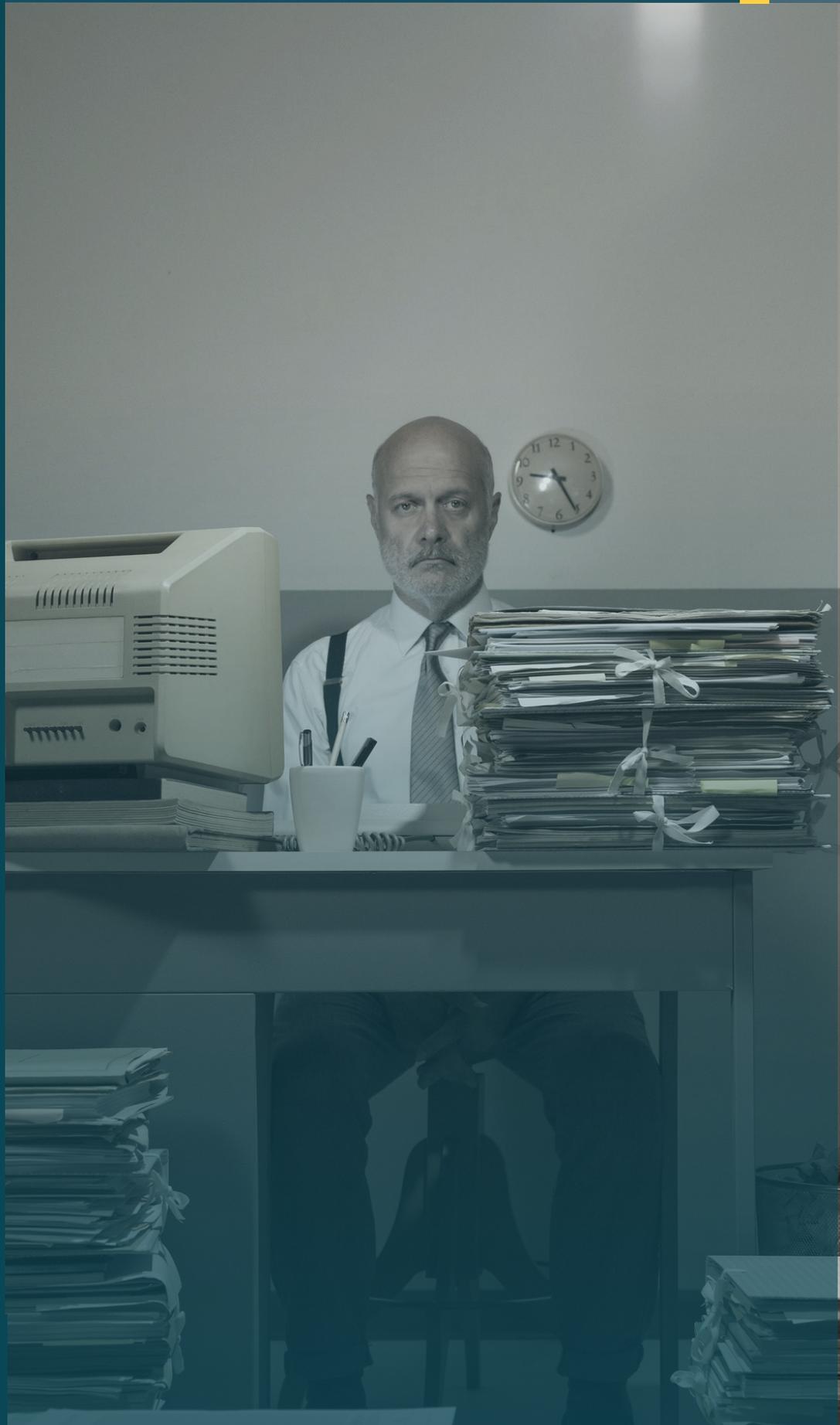
**PostGraduate Certificate in
KAM: apply now for 2023!**

**Key Account Manager of
the Year 2022**

KAM team survey

AKAM in Dublin

KAM news



September 2022

editorial



Dr Diana Woodburn

AKAM Chairman



www.a4kam.org



AKAM

The Association for
Key Account Management

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KAMaraderie

However often we use remote meetings, they don't totally substitute for direct person-to-person conversations. During the meetings we held with TUDublin earlier this month, participants were able to exchange views and experiences and – well, participate! - in a way that just doesn't happen online. I suspect that some people would have struggled with the AKAM Technical session on Finance and Forecasting without Prof Joe Coughlan there to help them. And each of the presentations in 'Focus on Customers' was followed by a lively exchange of views around some challenging questions. While the presentation slides are now on the website for members to view, it's not possible to capture those discussions, even though they're another great source of learning and networking.

So please diarise our next in-person meeting, at ISEG business School in Lisbon, on 21st & 22nd June. We understand that many of you are too far away to get to a meeting, so the 5th Annual Conference will be online – 9th&10th March. We'll cover the three points of the KAM triangle in three sessions: key customers, key account managers and senior management involvement. Full details in the next Bulletin.

This issue gives you three really substantial articles, each containing valuable 'mind models'. Some people dismiss such models as 'theoretical' but, as has been said before, "There's nothing as useful as a good theory". A model you can visualise when you need it allows you to check what you are doing against the framework. I often found that I had parts of a model covered off but had overlooked other important elements, and not properly understood their interdependence and the relationships between them. My suggestion is that you read one article at a time and then pause to see how that model applies in your own situation. Populate the framework with your own material - you will undoubtedly make some very worthwhile discoveries!

The time is now to take up two great opportunities, closing in December – if you still have much to learn about KAM, the PostGraduate Certificate in KAM will fulfil that need AND give you a significant, postgraduate qualification to add to your CV (in fact, even key account managers with 10 years' experience have taken a great deal from it): p4 and [here](#). And if you are already a great key account manager, you should go for the KAM of the Year Award: p7 and [here](#). Give yourself a chance – because you're worth it!

Christmas and New Year celebrations will be here soon, so we wish everyone joyful holidays – and a good, relaxing break. Thank you for all your support and engagement with AKAM this year. We are already looking forward to being back with you next year, with the January Bulletin, but meanwhile contact us at info@a4kam.org.

Best wishes,

Diana

Dr. Diana Woodburn
AKAM Chairman woodburn@marketingbp.com or info@a4kam.org

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Webinars on Zoom

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

▶ **Open webinar**
Friday,
9th December

Working with internal stakeholders

Adrian Davis, Whetstone/Summit Group, Canada

▶ **Member webinar**
Friday,
20th January

How to write emails clients actually read

Kim Arnold, Kim Arnold Consulting & Training

▶ **Conference**
Thursday 9th
March & Friday
10th March

Online Conference

5th Annual AKAM Conference
Six great speakers plus your questions answered

In-Person meetings

Wednesday
21st June -
Thursday
22nd June

ISEG Business School, Lisbon, Portugal
AKAM Technical
AKAM Interactive

Open Webinar Friday 9th December

Winning with internal stakeholders



Adrian Davis
Whetstone/Summit Group
Canada

How to manage internal stakeholders to successfully advance creative customer solutions

Why do internal stakeholders block your ideas? Find out now! And what you can do about it.

Why is winning the approval of internal stakeholders a bigger challenge than winning with customers?

But do you really understand their needs? Have you taken the time to build relationships with them?

In this webinar, you'll explore different types of internal stakeholder expectations and find the keys to successful relationships with them. Join Adrian Davis at this practical and engaging event.

[Click here for more info/ registration.](#)

2023 Postgraduate Certificate in KAM



Register now for the 2023 Postgraduate Certification in KAM

Totally online, accessible wherever you are

Mid-January to September 2023.

Register by 16th December

[LEARN MORE & REGISTER](#)



Samuel Mmusi,
South Africa, Student 2022

"I am really grateful for this offering, it was way beyond my expectation. The quality of education is high and appropriate for what I do as a Key Account Manager, and it has broadened my knowledge of the type of work I do and the role I play in my organization."

Who should do it?

Created for people in work, designed particularly for:

- from new up to 3/4 years' experience as a key account manager
- other positions aspiring to be key account managers
- more experienced key account managers who have missed out on proper KAM training.

"I'm so glad I've done it. It's been super-helpful."

Monique Esmay, USA

What's involved?

- Study from January to September 2022
- Access online lectures when it suits you, part-time
- 6 live online tutorials
- Practical assignments based on set exercises and exploration of your organisation and a key customer
- Significant commitment of time, but all of it practical and useful in the job
- Fee 3000€, no extras

"A wonderful explosion of learning"

Mirella Tarulli, Australia

What do you get?

- Thorough grounding in KAM
- Independent qualification
- 30 ECTS (European Credit Transfer points)
- Subject expert lectures with engaging exercises
- Demonstration of KAM insight and competency to employers



Santiago Medina,
Colombia, Student 2022

"It was an excellent journey to enhance the knowledge in key account management while also learning on how to properly apply the theory in practical cases. With interactive lectures, tutorials to share experiences and a deep dive on creating an efficient account plan, the course provides all the necessary resources to boost the key account management program in your organization."

Pure KAM. Because if KAM is what you want to do, why spend your time on something else?

The PostGraduate Certificate in KAM has been accredited through a collaboration between AKAM and the Technological University of Dublin.

[LEARN MORE](#)

How to win with Procurement



By Jens
Hentschel,
Fivis

The role of Procurement in your key customer's buying journey

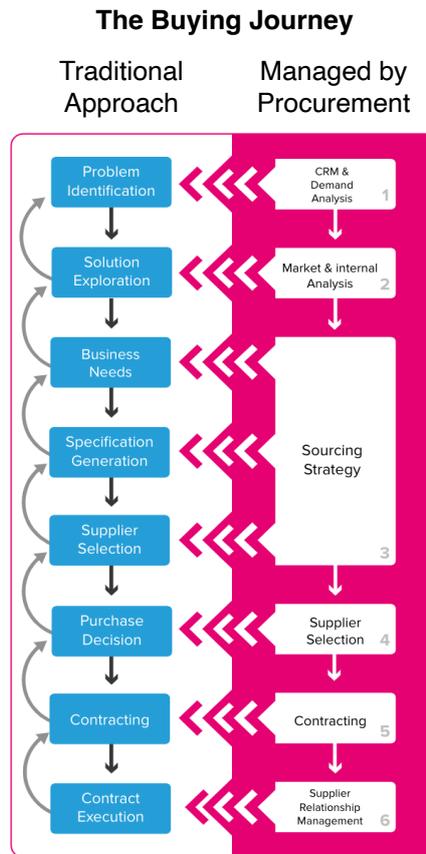
The customer's buying journey visualizes the steps the B2B customer goes through to satisfy a business need, leading to an external purchase of a good or a service. It maps out the various stages from business need conception to need fulfilment.

The concept of the buying journey provides a clear view on how demand for a product or service is being created on the customer's side and how this demand signal is ultimately translated into a purchasing decision and acquisition.

In reality though, a key customer will rarely follow the process as nicely mapped out as this. The buying journey is normally characterized by many reiterations. The reasons for a more chaotic reality are plentiful: budgets are being reassessed or reallocated, problems redefined and reassessed, people change roles, priorities are reevaluated, internal politics cause delays, etc. The list is long, so this buying journey is effectively rarely linear. Of course this is frustrating from a supplier's and sales manager's perspective, since the timeline to secure a successful sale is constantly changing

At the same time, the buying journey is also highly inefficient from a customer's point of view as these reiterations cost a lot of time and money to the organization itself. Delays in making decisions or not taking a decision to buy at all are rarely a viable option in today's fast paced markets.

Having the buying journey loosely or



not properly managed aggravates the problem because processes are potentially reinvented each time a business need emerges and processes are developed in isolation. The result could be that a company ends up with 30 different suppliers for a similar item and nobody really knows why. Hardly a setup to win in our VUCA (Volatile, Uncertain, Complex, Ambiguous) world.

The main driver for company leaders to nominate a dedicated function to serve as facilitator and consultant to this buying process – Procurement – is to manage and control these inefficiencies, for the customer and the suppliers alike.

How does the Procurement function operate?

Procurement effectively assumes responsibility for this buying journey through the application of its own strategic sourcing process. The buyer's involvement spans end to end, from business need

identification to solution implementation.

Buyers are tasked with identifying and challenging internal business needs (step 1). They assess markets on the available external capabilities (step 2). And they deliver the required solutions in the most efficient way possible by linking and leveraging the best external suppliers with the company needs (3-6). Procurement effectively provides a service and plays the role of a commercial consultant to its internal stakeholders.

What does this mean for KAM?

Despite these developments within the procurement discipline, there is still a certain myopia amongst most modern sales and KAM methodologies, suggesting the avoidance of Procurement as much as possible, at best recommending keeping it at arm's length.

The opposite should be the case. Instead of shunning Procurement, KAM teams should reach out to the B2B buyer, supporting them pro-actively in their sourcing process, and benefit from this new business relationship.

Procurement can be the ultimate business enabler in its role as influencer of business needs, of demand and product specifications. It drives decision making processes and initiates projects with internal stakeholders, providing an opportunity for key account managers to present their solutions to key stakeholders in the customer's organization.

Its role as commercial single point of contact offers new suppliers, that potentially were previously disregarded, an opportunity to win business for the first time without

Continued on Page 6

How to win with Procurement (continued)

needing to spend resources on assessing where the decision-making power resides.

It equally allows incumbent suppliers to reach a much broader audience within the customer's organization than ever before. It is in Procurement's interest to deploy great supplier capabilities across all business units in their organization. The buyer often serves as the internal advocate for the supplier, helping to sell their solutions to the various outlets in the business.

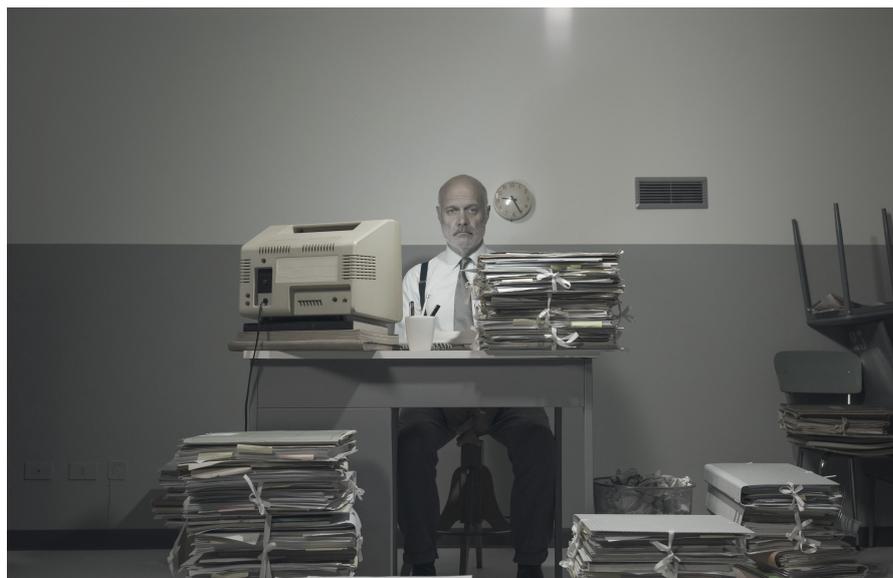
How to win with Procurement, then?

It is most important for KAM teams to create trusting relationships with the buyer early. This requires them to build a thorough understanding of this new counterpart in their business development process. What is the buyer's approach to managing the buying journey? How do they conduct their strategic sourcing process, how do they build and maintain the relationship with suppliers? Understanding their ways of working and what makes them tick will allow KAM teams to engage with them long before a commercial negotiation takes place.

Building these trusting relationships with the Procurement function on the customer's side seems to be difficult to achieve at times. Buyers keep key account managers at arm's length, are only interested in cost reductions and appear to be not interested in exploring the concept of value. Out of frustration key account managers may mirror the buyer's tactical moves, which in the end leads to a downward spiral of a lose-lose relationship.

But how much of this image and the implied buyer behaviour is actually conditioned by the fact that sellers expect Procurement to act in a certain, tactical way? As humans we are all creatures of habits, and in stressful situations we tend to fall

back onto old patterns and beliefs that we feel familiar with. If you are convinced that price and a discount are the only areas of interest to Procurement, then the conversation will most likely end up with a transactional discussion around costs.



Nonetheless, it is indeed very common for a professional buyer to be quite abrasive, closed and tactical when meeting suppliers for the first time. They are trained to be rather sceptical about what sales and key account managers have to say, to challenge what they have to offer, and to test the waters of their integrity.

However, their intentions are not to put the supplier down but to make the key account managers feel slightly uncomfortable in early encounters. The goal is to evaluate the supplier's reactions to gain confidence in their abilities to deliver on their promises.

This has to do with Procurement's role and responsibilities within their organization. Procurement teams are held commercially accountable for the suppliers they select, their actions and, most importantly, their inactions.

The buyer's threshold for trust in the supplier is hence much higher

than any other stakeholder within the customer's organization. Their credibility, their functional and individual success hinges on how well the external business partner performs. It is ultimately their reputation as a buyer that is on the

line when a supplier lets them down, overcharges them or provides them with a poor service.

Procurement wants to build trusting relationships with their supplier base, though. This is effectively the only way they can accomplish their main KPIs. To lower their guard they need is affirmation that they can trust you, as a supplier and as

How to build trust with the buyer?

Procurement assesses KAM teams consistently on how customer centric they are: a high level of customer centricity leads to a more trusting relationship. Customer centricity consists of five simple behaviors: to care, to compete, to improve, to respond, to win. Let's look into these five behaviors more in detail.

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Key Account Manager of the Year Award, 2022



**WHY NOT YOU
THIS YEAR?
APPLY NOW IT'S
EASY**

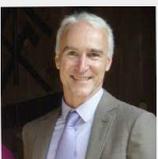
**DEADLINE 31st
DECEMBER**

[LEARN MORE & APPLY](#)

Recognising and celebrating top key account managers

It isn't necessarily about the biggest sales result. The judges are looking for:

- Depth and breadth of customer understanding
- Creativity (of any kind, offer/support/new approach...)
- Customer value
- Contribution to your organisation's strategic objectives

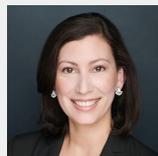


Thierry Josselin,
Key Account Manager of the Year
2021

"The Key Account Manager of the Year award was a great opportunity for me to formalize the methodologies developed over the years and to describe at high level the tools and strategies utilized. Only filling the application form was already a great achievement and feeling!"

KAM is a long game, so it isn't just how you've made a difference for your customer in the last 12 months, we'll consider what you've done over the last 3 years. Tell us about it, in just 500 words. There surely will be things of which you are justly proud!

Even if you don't win, just reflecting on what you have done is really rewarding, giving perspective to what you have achieved and helping to revitalise your approach. Just think about it!



Maggie Free,
Key Account Manager of the Year
2020

"The Key Account Manager of the Year award provided me with the opportunity to present my work and learn from thought leaders in the field. I am beyond grateful for the difference it made for me and with my employer!"

You don't need to be a member to enter, but if you are you can get a few extra tips from the webinar 'How to be a high performing key account manager and win the KAM of the year award', recorded in Member Resources.

As a high-performing Global Account Manager, Thierry was tasked with delivering a partnership between his company, Axcelis, and a customer challenged to meet the needs of its own customer in the very fast-growing electric vehicle market.

Thierry demonstrated a true passion for key account management, blending strong KAM disciplines with creative approaches. He developed high levels of insight about the customer and market and deployed them to motivate positive team behaviours, and more....

[LEARN MORE ABOUT
THE WEBINAR](#)

Winning can do great things for your career - and your company
Click [here](#) to find out what to do.

How to win with Procurement (continued)

To CARE

“To care” represents the idea of building a holistic understanding of the customer, the buyer and their respective needs. Whilst this might sound like an obvious and simple task, it is one of the most underdeveloped parts in forming a customer centric mindset.

Caring is the action to fully immerse oneself into the customer’s environment. It requires curiosity and the ability to comprehend, to anticipate and relate to the customer’s fears, perceived and real risks, desires, wishes, constraints, hopes, and opportunities.

To care goes beyond just listening and asking questions. It is an approach that proactively and relentlessly gathers insights across the customer’s ecosystem. It is forms a consultative opinion on the risks and opportunities they face and succinctly identifies their most relevant needs to succeed in their environment.

To COMPETE

To compete stands for the action to meet previously identified customer needs with excellence. It represents the willingness to avoid complacency, and eagerness to always address their expectations better than the competition and the next best alternative the customer has available to them.

Competing does not mean to be the best in everything, all the time, but should rather represent the concept of always trying to stay ahead of competition.

Consequently, competing means having a concrete plan in place on how to best meet the customer’s needs. This plan is continuously reevaluated and adapted, based on the assessment of how competitors are performing in pursuit of the

To IMPROVE

Status quo is never acceptable for a customer centric mindset and nota state to fall back onto in a relationship. What made for success in the relationship up to a certain point might not be good enough moving forward.

To improve stands for willingness and dedication to continuously challenge oneself and the overall relationship with the customer to always get better. It is about having a concrete plan in place of what needs to be done to reach the next level in the relationship.

To RESPOND

To respond means to interact with your customer on their schedule, in their language, in the way that makes them feel most comfortable. Responding is taking your customer’s concerns and requests seriously whatever they might be.

It consists of the visible actions that you care, compete and improve. This can be as simple as readily replying to an email, pro-actively updating the status of a project or taking swift action in case of an emergency.

To WIN

The last, and most neglected step in building a customer centric mindset is to define, articulate and align what ‘to win’ means in the business relationship for YOU. What is it that you individually want to achieve with your customer? How do you see the relationship evolving over time?

‘To win’ defines your goals and vision for the relationship. It further includes the actions to articulate these goals and to align them with your customer.

In this FIVIS model we have decoded what customer centricity is

all about. It summarizes the essential elements for establishing the base for a sustainable and winning business relationship with your customer and their Procurement organization.



Ask yourself:

- Have I shown my customer and their buyer that I care about their business needs?
- Am I prepared to talk about how I will compete for their business?
- Do I have a plan in place to improve the relationship with the customer even further?
- Am I responding to all stakeholders and customer needs timely and appropriately?
- Do I know what winning looks like in the relationship and how we can attain it?

Refrain from your old behaviors and from responding to tactical moves with counter-tactical moves. Understand the challenges your buyer needs to overcome. Engage in a conversation with them early and get fully invested into a customer-centric mindset to lower their guard.

Your buyer needs you!

This article encapsulates Jens’ presentation and discussions at AKAM’s Focus on Customers meeting: Dublin, November 2022. Jens Hentschel, Fivis Email jens@fivis.io Website www.fivis.io

Account-based Growth

Unlocking sustainable value through extraordinary customer focus



By **Bev Burgess** and **Tim Shercliff**, Inflexion Group

The 80/20 rule

When a business starts, it is based on a simple model. It solves a problem for a customer by providing a solution and is obsessed with delivering value to that customer. It's likely that everyone in the team is very well attuned to every customer's needs.

Over time, companies typically grow in two dimensions: find more customers who like what they do, and/or develop new solutions for existing customers. However, even in those early days with only a few dozen customers, a fundamental principle is starting to emerge: some customers will be far more important than others. In fact, a pattern soon develops which will probably reveal that around 80% of profitable revenue comes from just 20% of customers.

Once the pattern starts to emerge, it doesn't seem to change much over time. In fact, it may become even more pronounced.

Beyond the 80/20 rule

Fast forward a few years and guess what: the ratio applies equally in large companies! They may boast billions in revenues, have thousands of customers, tens of thousands of employees and a complex partner and supplier ecosystem. But the self-same 80/20 rule applies to these companies too. In fact, it is often even more skewed: sometimes 90 per cent of profitable revenues come from just 10 per cent of the customers.

But that's not all, because the 80/20 rule is fractal. This means it's a pattern that repeats itself, so within the first 80/20, there is another 80/20, leading to some remarkable findings.

We conducted research earlier in 2022 and we found that in B2B companies, on average, just 3.5% of customers accounted for 50% of their revenue (see figure 1).

Adapting to the new reality

Some companies, recognizing the value of their largest customers, have taken account management to new levels, investing in much more senior executives managing their most important customer relationships.

Sales, too, is going through its own revolution. Customer executives and increasingly sophisticated procurement functions expect their strategic suppliers to understand their business issues and be proactive in bringing them valuable insights and solutions that tackle these issues and challenges and achieve their business outcomes.

In parallel, over the last 20 years, the idea that a company should focus on its most important customers, treating them as a

allocating marketing resources to build highly-personalized marketing plans, has taken hold.

Account-based marketing emerged in the 2010s and is now recognised as a key element of B2B marketing.

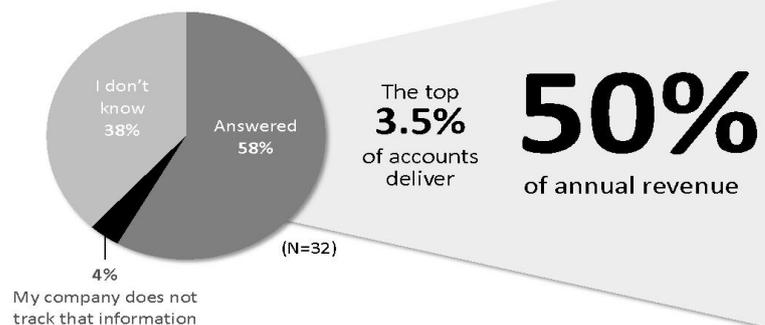
Developing customer centricity

This is not just about marketing, however. It never was. It's about how a company becomes customer-centric across multiple processes and teams. It's about growth and, more specifically, how to grow profitably with this huge imbalance between customers large and small.

In enterprise software and now increasingly in other sectors, companies have built customer success teams to attempt to ensure that customers realise value and achieve their desired outcomes, becoming advocates within and beyond their own organisations.

As organisations establish long-term, company-to-company relationships, they build executive-to-executive relationships, both of which often last decades. The technologies and the ecosystems may change at an ever-increasing pace, but the relationships endure.

What % of your annual revenue comes from your top account programme? (N=55)



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Figure 1: The universe is wonky and so is B2B business

Account-based Growth (continued)

Unlocking sustainable value through extraordinary customer focus

There is a lot to be gleaned by looking at how companies have approached the way they achieve sustainable, profitable growth with their most important customers. But, before we look at one such example, let's examine the challenge from a customer's perspective.

After all, customers see their strategic suppliers as key to their business, so they want them to perform well.

It's clear from Ninian's perspectives what he's looking for in a strategic supplier and how he differentiates between those that work well with

Vodafone, and those that have room for improvement. One of the best examples of a company that has excelled in the way it works with its most important companies, sustained over many years, is Accenture and its Diamond Client Programme.

Ninian Wilson, Group Procurement Director and CEO, Vodafone Procurement Company, shares his thoughts on what makes some strategic suppliers stand out from others.

What should companies expect from their strategic suppliers?

1. The first is a dedicated account team – the supplier should invest sufficiently to make the strategic relationship work; and customers should reciprocate by ensuring access to the right executives.
2. Next, an unfair share of their research and development budget – if a customer is really strategic, it should be translated into competitive advantage through access to innovation and assets.
3. Strategic customers need to be first to receive new products and services, and also be 'first among equals' commercially.
4. Strategic suppliers should be highly connected at all different levels across the business, starting with CEO to CEO, and right through the executive teams and functional leaders in both organizations.
5. Governance is really important too. Governance reviews should start with current performance, and then move on to future innovation and opportunities.
6. It takes a seasoned, experienced executive to run this kind of

strategic relationship. That person represents our voice into the supplier company. They need to be senior enough to be able to make things happen on our behalf.

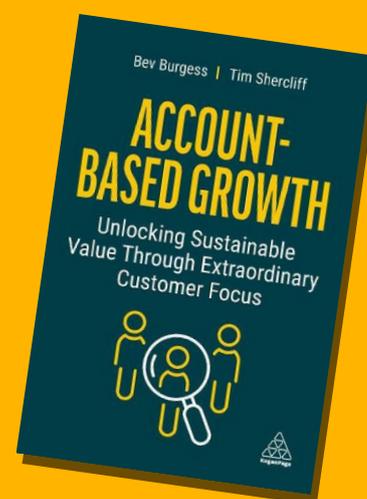
And typically, what are some of the main faults?

A lack of connection internally across the supplier's account team is one that comes to mind. A lack of professionalism can be an issue, for example, not sending meeting materials in advance of the meeting so that the customer has time to prepare.

Leaving issues unresolved is a real problem that can really damage the relationships. The supplier's account executive has to be able to escalate problems and get them sorted quickly: cut a deal, sort it out, and move on.

A lack of commerciality, and empathy as to what our objectives are, is another issue. For example, as a customer, we'll have objectives to reduce costs over time, so we want our strategic suppliers to acknowledge this and bring us ideas on how this can be achieved rather than try to hold on to the current revenue from the contract.

And finally, I would say that trying to cut procurement out of discussions is the wrong way to go. Strategic suppliers need to understand the role and positioning of procurement leaders in the wider business.



Account-based growth: unlocking sustainable growth through extraordinary customer focus

- Chapter on each element of the Account-based growth framework, featuring leading company case studies and viewpoints
- Assessment tool you can use to assess how your company stacks up and where it needs to improve

Published by Kogan Page in November 2022.

10 Question Survey: Key Account Teams



AKAM is supporting Professor Christine Lai of IESEG in her research into Key Account Teams. She has just these 10 questions for you, all with a choice of preset answers, so it's quick and easy to do! Please click [here](#) to complete the questionnaire online (in strictest confidence, we don't even ask your name). Obviously we can't tell you more about KAM unless people participate in the research – so your contribution is really appreciated.

Key account managers generally work with the account team composed of cross-functional customer-facing members for solution development and execution. These questions are aimed to advance our understanding of the nature of the work relationships between Key account managers and their account teams. Thank you for your help!

1 Do you have a personal sales goal to achieve?

2 To what degree do you believe that purchase decision(s) will be more centralized over the next 5 years?

3 Which of the following better describes the solutions on which you are working with your on-going account team?

4 When working with the account team for your customer, which of the following best describes your authority level to make decisions?

5 Which of the following best describes the structure of the account team you work with for your customer?

6 In terms of your organization's current practices in cross-functional teamwork, what are the most urgent gaps to fill?

7 In terms of the current practices in performance management of the cross-functional account team, which of the following better describes the situation in your organization?

8 What are the main challenges you face in solution planning and execution? (Tick all that apply)

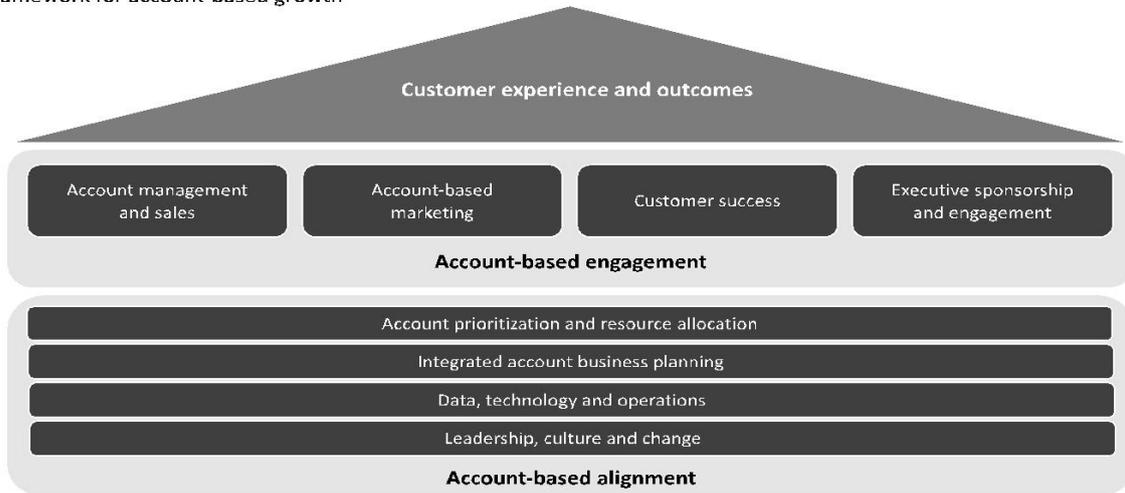
9 Authenticity is important in building relationships with your customer and account team. Please write down THREE words to describe "authenticity". "When talking about authenticity, I think..."

10 Which best describes the sector you work in?

Account-based Growth (continued)

Unlocking sustainable value through extraordinary customer focus

A framework for account-based growth



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About Accenture

Accenture is a global professional services company with revenues in 2022 of over \$60bn and more than 700,000 employees.

Enduring client relationships

Ninety-eight of its top100 clients have been clients for over 10 years. In April 2022 it reported that 70% of its new bookings were sole-sourced; and in the two years since the pandemic was declared, it achieved a 50% increase over the prior two years in the number of clients with quarterly bookings over \$100 million.

Accenture's largest client relationships, which it refers to as "Diamond clients," comprise more than 50% of its total revenues. These numbers reflect the scale of Accenture's work with its top clients and their level of trust, which sets the company apart. Accenture clients have increasingly taken on bold transformation programs, often spanning multiple parts of the enterprise and in accelerated timeframes — an approach the company refers to as 'compressed transformation.'

Voice of the customer at the top of the company

Recognizing the importance of its Diamond client relationships, Accenture has appointed a senior managing director, Arjun Bedi, to lead this strategic portfolio of clients as a member of the company's Global Management Committee (GMC). In his role, Arjun leads an Executive Leadership Team comprised of client account leaders representing the company's three geographic regions — North America, Europe and Growth Markets — who together bring the voice of the customer to the very top of the company.

Arjun Bedi, Chairman, Diamond Client Leadership Council, commented: "Trust is at the heart of developing deep strategic relationships. We solve for our client's interest first, and also ensure it aligns with value for Accenture. This requires understanding the industry context and the strategic objectives of the customer in order to provide a view of value across multiple dimensions to ensure a '360 degree view of value' — it means going beyond financial measures to include all dimensions of value that matter to the client."

Account-based growth framework

Companies should take a more aligned view of how they manage, sell to, market to, deliver services to, and leverage their executive relationships for their customers, their customers, particularly the 3% or so that are driving half their profitable revenue.

They need a holistic view as to how to allocate resources and organise themselves more effectively to deliver profitable, sustainable growth and outstanding value for the most important customers. Done effectively, the impact on long-term profitable growth is significant.

The account-based growth framework to bring all these elements together (see figure 2). With the perfect storm of geopolitical uncertainty, economic pressure and the climate challenge facing all of us, now is the time to focus on those customers that matter most, working with them to build sustainable long-term value for your companies, your communities, and the planet.

By Bev Burgess and Tim Shercliff,
Inflexion Group,
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AKAM in Dublin Our first postpandemic in-person meetings



This was a great opportunity to restart learning more about KAM and networking with our peers, whether other key account managers or programme leads.



Jens Hentschel of Fivis opened our eyes to the anxieties of buyers, particularly in the recent business environment. Most of us facing Procurement are so preoccupied with our own anxieties that we blind ourselves to theirs.

Jens can identify 18 of Procurement's key questions for the suppliers. While he only had time to explore 3 of the most crucial of

them, the point was that key account managers must anticipate the questions and have their answers ready, however tough those answers may be.

The ensuing group discussions surfaced a host of things to reassure and support buyers that suppliers should be doing, but often aren't. See p4 for a reprise of Jens' messages.

Our exemplar customer, **Graham Bellman** of Travis Perkins, debunked the idea that 'it's all about price'. He opened eyes to some of the critical issues that are nothing to do with price but might have a lot to do with saving the customer's cost. For a start, seeing your product in use can create a host of practical cost-saving ideas which can win the business, so it's surprising how many key account managers have never taken the time to do it. It might also stop you selling a product that won't work for the buyer – and their customers – something for which you won't be forgiven in a long time!



Professor **Bert Paesbrugge** (IESEG France) challenged the way that suppliers implement customer centricity – not! Even when the customer might be clearly telling you what they want via a set of measurements which they have laboured long and hard to produce, suppliers brush those inconvenient facts aside and carry on as before. Suppliers need to hear what the customer is saying in their chosen language - whether words or numbers - and respond. Not surprisingly, they won't believe you've listened if you don't respond.

Some participants accepted Professor **Joe Coughlan's** challenge to attend an intensive workshop on finance and forecasting in KAM. Key account managers often complain of a lack of decision-making authority, but they can hardly be surprised when it's coupled with a lack of understanding, competency and responsibility in financial matters. Perhaps it's a tough hill to climb, but these delegates have made a start!

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3 facilitators to get your questions answered



Online - Save the Date

Thursday, 9th March (AM & PM GMT) & Friday, 10th March (AM GMT)

Key Account Management: Selling? Providing Services? ...Or both?



**By Professors
Björn S. Ivens,
Barbara
Niersbach,
Catherine Pardo**

Key account managers' mission should not be limited to classical sales. Rather, they should be seen -and see themselves - as service providers, both towards their customer firm and inside their own firm.

Key account management (KAM) has emerged through a shift many sales organizations have undergone: away from product- or area-focused structures and toward a clear focus on strategically important customers.

Moreover, in their work as a network managers, two major tasks co-exist for KA managers: selling and providing services for both their customer-side network and internal network. While selling is a traditional role, the role as an internal and external service provider is a new and additional function. It involves detecting possibilities for value creation through services, designing value-adding services, pulling together the required resources, and ensuring that the services are implemented to reach the objectives.

It's not enough to just re-think reporting lines or sales people responsibilities.

In this article we will:

- describe the role of the KA manager as a network manager.
- explain the modern role of the KA manager as an external and through a case study internal service provider.
- illustrate our ideas and potential barriers to KAM as service provision through a case study.

- discuss the opportunities and potential challenges of implementing KAM in a combined selling and service provider perspective.

KAM and the KA Manager

KAM is "a concept through which companies introduce the principle of re-relationship marketing into their customer policy and become closer to the customer. They select important customers in order to – based upon an increased individualization of business processes – better interact with them and possibly integrate them into value creation". This implies that a company's performance strongly depends on its ability to manage a limited number of customer accounts, the so-called key accounts (KA).

KAM differs from classical sales management in that KA managers fulfill a coordinating role between two networks of relationships (**see Figure 1**). A business network is defined as a set of two or more relationships between entities that are more or less directly related to each other in the value creation process.

On one hand KA managers needs to manage a set of connections between their own company and the KA, generally with similar units such as purchasing, logistics, or R&D on the client side. This range of connections is generally broader as compared to the condiplomacy a classical deals representative needs to manage.

As network managers, KA managers' tasks are both selling and providing services. In addition, they

need to understand the links and possible interdependencies or conflicts among their network connections on the client side. They need to dissect the implicit impact of these links on their establishment's business with the client and develop approaches to align these links with their own business objects. If two client-side departments have clashing objectives with respect to the supplier, the KA manager needs to identify ways of interacting with both units that minimize the conflicts.

On the other hand, KA managers need to manage a network of relationships inside their own company. Because a KA manager is a relational coordinator between the strategically important account and their own firm, they integrate the required units inside their own company.

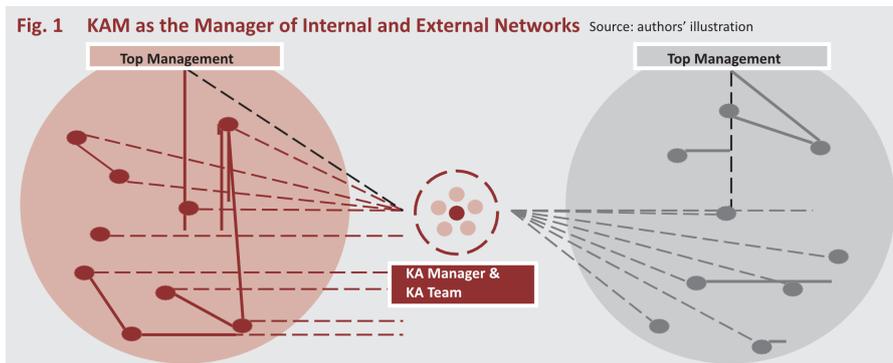
Both sides - internal and external network management - are important elements of the KAM concept and required for KAM performance. From an internal perspective, KAM creates value for the KA and the supplier by coordinating numerous complex and customer-specific processes. From an external perspective, KAM creates value for the KA and supplier by constantly improving the fit between the selling organization's value offer(s) and the needs of the KA.

KA managers as service providers

From salesperson to service provider

KAM has evolved as a specialized task in the sales function. Studies have shown that different forms of implementation exist, differing in the relative importance that selling plays in the KA manager's activity. The job evolved from salesperson to relationship manager, driven by the increasing complexity of the relationship that becomes "too big to handle" for a single KA manager alone. The KA manager has neither

Key Account Management: Selling? Providing Services? ...Or both? (continued)



the time nor the skills to perform every single activity in the relationship but, instead, is the agent who “pulls the strings” and “makes things happen”.

From a customer perspective, but arguably also from an internal vantage point, the KA manager turns from salesperson to service provider, offering a portfolio of services (or service products) to actors in the external and the internal network.

External services

The portfolio of external services that the KA manager provides to the account-side network depends on the nature of the relationship as well as his own firm’s objectives regarding the key account.

Interaction services are services aiming at facilitating the interaction of the key account-side network with the supplier firm. Key elements are the arrangement of meetings or other forms of interaction or the establishment of direct personal contacts. For example, when the director of an R&D lab on the customer side searches for a piece of information and the KA manager believes that an actor inside his own in-house network is able to provide help.

Individualization services comprise all efforts made by the supplier firm to adapt products (physical goods or service products) as well as skills, processes and resources to the needs of the key account.

Information services refer to improvements in the customer supply with relevant supplier-related information.

Integration services consist of efforts in which KA managers identifies business processes – performed or controlled by their own firm – in which it would be attractive for the customer to participate.

In advanced types of KAM programs the relative significance of dealing conditioning decreases as compared to the time KA managers dedicate to their part as service provider for the KA-side network. The benefits of the customer-specific service portfolio for the client can be of various types, e.g., increased speed of business processes, access to funds that are hard to find, cost reduction, bettered invention.

- Key account managers can provide services in four fields: interaction, individualization, information, and integration services.

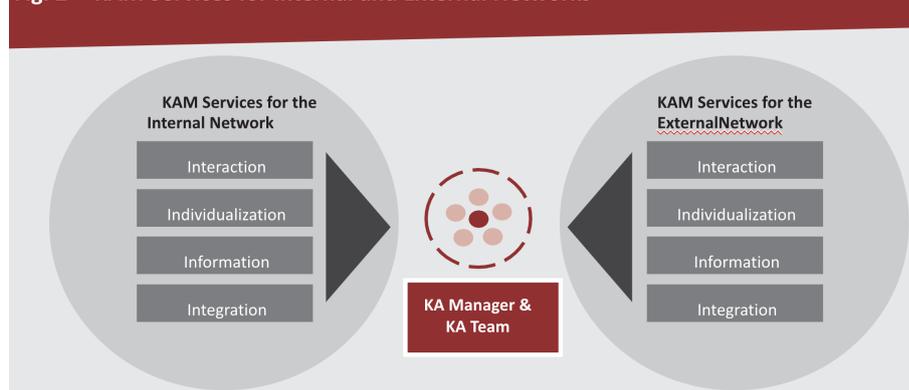
- These services can be provided to the customer organization as much as to actors inside their own firm.
- Thinking in terms of these categories will allow key account managers better to define priorities for their mission and monitor their progress.

Internal services

Because the drivers for the implementation of many KAM programs are not only located on the customer side, but rather within the supplier firm, KA managers often become service providers for their internal network too (see Figure 2).

These services can also be classified into commerce, individualization, information, and integration services. For illustration, account-specific yearly reports adapted to the requirements of the supplier’s supply chain management department are examples of information services. On the one hand, KA managers’ role as an internal service provider is directly linked to the job description and thus to the objectives their firm pursues by handling a customer as a key account. On the other hand, the achievement of the KA manager’s mission and targets may be facilitated by interpreting their task as a service business that includes activities as internal service provider.

Fig. 2 KAM Services for Internal and External Networks



Key Account Management: Selling? Providing Services? ...Or both? (continued)

Case Study

We can illustrate KA managers' service provider tasks through a case study involving the KAM department of the German branch of a large European pharmaceutical company. The KAM Hospital team studied is responsible for the German hospital business. The market consists of 500 pharmacies serving about 2,000 hospitals organized in about 25 large buying syndicates. A KA manager is responsible for several buying syndicates across all product categories, supported by regional sales teams. The Director KAM Hospital is the direct head of the KAM team Hospital as well as of the sales team Hospital.

External services

KA managers provide services to their KAs at different levels. Each KA manager is responsible for the strategy toward, and the negotiations with, several buying syndicates. Each has a deep knowledge about decision-making processes and develops account-specific service offerings, although not every possible type of service is offered. It may be necessary for KA managers to identify subordinates within their company that are qualified to handle the customer's needs.

Finally, his/her knowledge of the scope of medical applications and core areas on site allows the KA manager to offer integration services in joint product development processes. The team reported several situations where they were able to include KA specialists in a process of improving ambulant and stationary services. One important project with a KA was about the development of new treatment options in telemedicine.

Internal services

As the interviews revealed, most of the Hospital team KA managers

consider themselves not only as service providers for the KA, but also for their internal network. This attitude reflects the company's KAM philosophy which aims at harmonizing internal as well as external customer-directed activities through a coordinating function exerted by the KA managers and their teams. Most KA managers agree that acting as service providers to the internal departments that they need in their daily work with their KAs is an important prerequisite for gaining these departments' support when they are required to provide services for the KA.

Coordination of information in the internal network is a major challenge. The KA team has a regular monthly meeting including the Contracting team. The KA managers regularly communicate their current pricing strategy for hospitals to the sales managers and they demonstrate examples of hospital-specific calculations. Once a year, there is a meeting where all regional sales managers, regional area managers and sales directors and the KA team get together.

Finally, as an integration service, the KAM Director has established a new, unprecedented position: a KA manager responsible for specific strategic concepts and projects. This KA manager plays an important role in integrating services across intra-organizational boundaries for the benefit of the KA. For example, if a regional sales manager indicates that one of the hospitals has an inquiry in a certain indication, the KA manager responsible for concepts and projects gets involved. He leads the project team inside the organization and integrates necessary experts from different departments. By bundling the cross-departmental knowledge, this integration service can lead to a value creation for the supplier as well as the customer company.



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Key Account Management: Selling? Providing Services? ...Or both? (continued)

Summary

Compared to classical salespeople, key account managers' tasks are more complex. Beyond selling, they need to provide a set of different services both to the customer organization and inside their own firms.

We believe that this case study illustrates how firms may develop KAM beyond the classical sales task. While it has been realized in the past that KA managers may develop specific packages of value propositions that comprise adapted offerings to KAs (such as tailor-made products), the perspective that sees KA managers as service providers is even broader. First, because it is not product-focused, but task-focused. Second, because it sees the KA manager as an external as well as an internal service provider.

This perspective is in line with recent developments in the marketing literature.

The service-dominant logic (Vargo/Lusch 2004), for instance, posits that marketing is a process of doing things in interaction with the customer, that goods are only distribution mechanisms for service provision, and that a service-centered view is customer-oriented. Achrol and Kotler (1999) see marketing as performing the role of network integrator, occupying the interface between customers and other network actors.

The concept of service-dominant management can be applied to KA management in a way that follows the logic of network management. Not every KA manager will need to, or be able to, offer interaction, individualization, information, and integration services to his internal

and external network, but should at least consider the need and the opportunity.

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A fuller version of this article was first published in Marketing Review St. Gallen 6 | 2015

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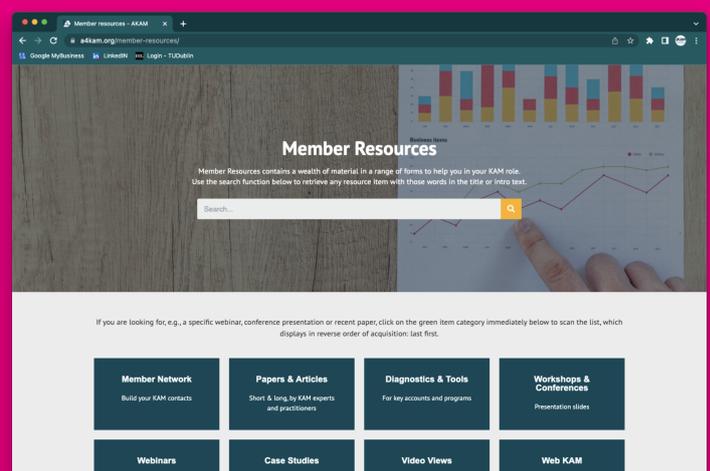
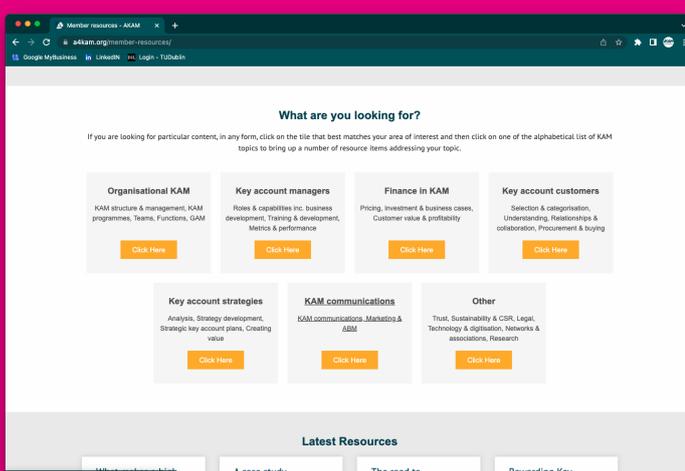
Björn S. Ivens (Otto Friedrich Universität Bamberg), Barbara Niersbach (Hochschule Ravensburg-Weingarten University of Applied Sciences), Catherine Pardo (EM Lyon Business School)

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AKAM's latest corporate member - Welcome to Viatris



In some ways, the company is very new, although it was formed in 2020 through the combination of Mylan and Upjohn, a legacy division of Pfizer, integrating the strengths of those two companies. So it started with approximately 37,000 colleagues across the globe! Viatris' offers treatment options across more than 10 major therapeutic areas covering a wide variety of noncommunicable and infectious diseases.

ViatriS has an extensive global portfolio of key brands, generics, biosimilars and over-the-counter offerings across a wide range of therapeutic areas, and claims one of the strongest global commercial infrastructures in the industry with a balanced reach across North America, Europe, the Asia Pacific region and emerging markets. Alongside its products, ViatriS can offer support services such as diagnostic clinics, educational seminars and digital health management tools.

The pharma sector is characterised by a large proportion of public sector and national key customers, although large healthcare providers are on the increase across the world. The high-profile potential social, welfare and political impact adds an extra, highly-sensitive dimension to managing such customers. AKAM looks forward to supporting ViatriS in its development of KAM and its key account managers.

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Congratulations, Craig Manser, DipProKAM!

Craig Manser, of Pfizer Australia, is the latest to complete and pass the AKAM Diploma in KAM. He said, "I'm very excited to have completed this and now possess something more that reinforces my knowledge and experience."

So how about you? Find out what to do [here](#)

