



Professional Diploma in Key Account Management

Handbook

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1. Introduction to AKAM

This Professional Diploma is certified and awarded by the Association for Key Account Management (AKAM). AKAM is a not-for-profit professional organisation established in 2016 to remedy the view of a group of senior practitioners in business and specialist experts and academics, that KAM was/is widely misunderstood and poorly recognised. Many organisations see it as a branch of sales, whereas this group considers that KAM is a professional discipline in its own right, requiring a blend of other business disciplines as well as a relatively minor element of selling that make it unique and different from any of those functions.

AKAM's mission is to change these perceptions and practices by 'Professionalising Key Account Management', to gain recognition for KAM and to improve understanding and standards of practice. An important part of fulfilling that mission is the establishment of specific qualifications in KAM, which did not previously exist. Key account managers with an independent qualification in KAM will have achieved tangible demonstration of their knowledge and skills to current and future employers and, indeed, to themselves.

2. Introduction to the Professional Diploma

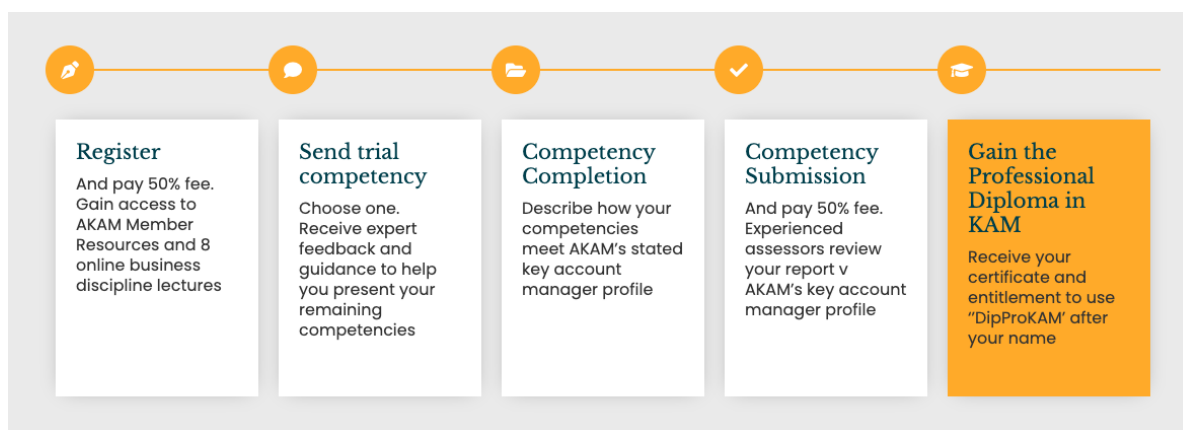
The Professional Diploma is designed for key account managers who already have substantial experience. They are unlikely to need or take a course in KAM if they have, during their career to date, had the experience of learning KAM through attending various courses; taking advice from seniors, peers and customers; fulfilling taxing requirements; and working through new, normal and difficult situations. Nevertheless, they - you - can benefit from demonstrating that you have indeed learned the KAM approach through your working experience.

This is the basis on which AKAM can award the Professional Diploma. Recognition of Prior Learning (RPL) is a concept which universities may apply to establish that applicants are admissible to higher level courses if they do not have formal educational qualifications. So in order to grant the Professional Diploma, you must demonstrate that you have learned about what KAM is and how to deliver it in specific detail. But you will have a clear guide for how to present your skills, using the structure provided by AKAM's competency profile for key account managers (section 3).

You would not expect to receive qualification without any knowledge of underlying theory. Since we realise that access to the theory of the range of functions with which KAM works is not generally available in a suitable format,

AKAM provides 8 recorded lectures on those disciplines (see more information in section 6). You are strongly advised to view them, recognise how they impact key account manager activity and allude to them in your competency descriptions.

3. The process



You can apply and pay your fees through the AKAM website.

NB You must complete your submission of competencies within 2 years of registration.

4. Presenting competencies

Structure AKAM's competency profile for key account management provides a clear requirement to guide the structure of your report, and also the criteria for assessment (see Appendix for the full profile). You are asked to tell us in writing how and why you approach the requirement, with examples of what you have done. Describing your skills alongside each element of the competency keeps you aligned with the assessor.

NB This qualification is about **you**, don't waste your words describing facts about your company (except as part of 'Understanding own company').

Business theory You are encouraged to include how you have applied KAM theory and the theories underlying other business disciplines (whether consciously applied at the time or not). We want to see that you have made the connection, whether then or now. t

Evidence You can also send 'evidence' in the form of material you have produced, like a strategic key account plan, minutes of a team meeting, communications to customers or internal people, etc. Evidence must be your own work.

NB Please be assured that all information submitted will be kept confidential. We have NDAs in place with our assessors.

Length Each of the four competency areas consists of 3 or 4 specific competencies. Aim for about 500 words per competency (totaling about 2000 words per overall competency area). If you have supplied some evidence you may not need to write as much.

Writing You may not do much structured writing in our job, so the first skill you need to relearn is how to write a clear account of – anything! If it feels strange and uncomfortable initially, recognise that this is simply a consequence of practice and nothing to do with your competency in KAM. Nevertheless, it needs to be overcome to gain the Diploma, and your mentor's feedback will help. You will find that the more you write, the easier it will get.

Incompetence Even if you acted inappropriately (i.e. incompetently) in a particular situation, you can still claim acquired competency if you now understand and can explain what you should have done differently and why (but not too many times!) We assume you would act competently if the situation arose again.

Check When you have completed your competencies, get them signed off by someone who knows your work to say it is substantially true – not a complete fantasy! This may or may not be your line manager. He/she is not being asked to judge your competency, so no special training or briefing is required.
Submit Send your trial competency to info@a4kam.org. When the others are all completed, pay the second part of the fee and send all of them together to the same email address.

5. Key account manager competency profile

Key account management is a wide-ranging, multi-functional role covering 4 key areas. Each includes 3 or 4 specific competencies, hence 14 competencies in total:

1. Business and customer understanding

- 1.1 Knowledge of own company
- 1.2 Customer understanding
- 1.3 Value creation
- 1.4 Strategic planning for key accounts

2. Selling and business development

- 2.1 Product/service and application knowledge
- 2.2 Consultative selling and business development
- 2.3 Negotiations with customers
- 2.4 Financial understanding

3. Organisational effectiveness

- 3.1 Communication
- 3.2 Project management
- 3.3 Leadership

4. Relationships and interaction

- 4.1 Customer categorisation and relationships
- 4.2 Internal relationships and key account teams
- 4.3 Collaborating

The Appendix contains a complete description of each competency plus some other hints and tips. It includes the kind of evidence you may be able to provide, which can save you some words and time.

You may lack one or two competencies because they may not have been part of your job, so you only need to submit your descriptions for 12 competencies. You can choose which two not to submit.

6. Multidiscipline theory lectures

You cannot possibly be an expert in everything that professional KAM involves, but not having a basic grounding in adjacent business disciplines puts you at a real disadvantage, partly because you cannot use the use the concepts in your work so you are short of tools to create value and overcome obstacles. In addition, you cannot really appreciate how other functions are thinking and what they are saying to you, both inside your own organisation and in your key account.

For example, you could say that your account was categorised as a 'star' account and you, therefore, expected and gained significant growth. This was partly achieved by developing a **value proposition** around a **product augmented** by specific barcoding which reduced costs in handling for the customer's warehouses and therefore added to its **value in use**, demonstrating your understanding of the concepts of **value in use**, **value propositions** and **supply chain** costs.

However, most paths to learning about these areas are very time intensive and/or not within the reach of working key account managers. So AKAM provides you with a basic grounding in them which you will not find in such an accessible format anywhere else.

We provide you with 8 recorded lectures from experts in their field, viewable through the AKAM website. Each lecture takes about 2 hours but you are not obliged to go through it all in one sitting, you can revisit them whenever you like. Lectures are divided into sections so you can easily find your way around them.

1. Key Account Management: Dr Diana Woodburn, AKAM Chairman
2. Buying/Procurement: Dr Colin Scott, Grange Partnership
3. Selling/Business development: Niall Hayes, Technological University of Dublin
4. Marketing: Dr Lesley Murphy, Technological University of Dublin
5. Supply chain: Dr Simon Templar, Cranfield School of Management
6. Finance: Dr Kate Scott, Grange Partnership
7. Organisational behaviour: Dr Slava Dmitriev, Rennes Business School
8. Leadership: Dr Ashley Roberts, Warwick Business School

Upon enrolling, you'll be able to access these lectures through the 'Downloads' section of your 'Manage Account' page.

7. Support

Trial competency

We strongly recommended that, before tackling the whole lot, you should complete one competency for expert feedback in order to be sure that you can present your competencies in an appropriate form. You can any one of the 14 listed, and we suggest you select one of your strengths and submit it for feedback before tackling the rest. If you haven't quite nailed how to express your competencies, you can adjust your approach before spending time on the others.

Mentoring

Having a mentor is not essential but you will find it really helpful. Sometimes it is hard to recognise and express your good points, and a mentor can really help by holding a mirror up to reflect your qualities. We suggest your ask your manager or someone else who knows you well professionally.

Resources

Although the Diploma is based on the idea that you already have all the competencies and knowledge you need, it may still be useful to look at some material to help you work out how to present it. The following resources are open to you.

AKAM Member Resources: You become an AKAM member for two years from registration, with access to all the material in Member Resources and AKAM's events, like webinars and meetings. You can search for what you need in multiple ways.

Multidiscipline theory lectures: see section 6.

Reference books: You may be interested in reading about these disciplines to replace or top up the lectures. There is a list of titles and references about each discipline on the website.

Summary

The Professional Diploma in KAM is designed to recognise the capabilities of experienced key account managers who have gained their competency through a mix of training courses and fulfilment of the position. It is therefore not a course, but a self-driven process of documenting that competency against a recognised, structured standard.

We suggest you find a mentor, make sure they understand what is involved, and work with him/her. It may take several months to document all your competencies alongside your working life, so set your expectations accordingly. Setting deadlines to complete each may be a good idea.

AKAM wants experienced key account managers to achieve the Diploma, so if you have queries email info@a4kam.org.

Appendix

Note: **Wherever** a customer/account is mentioned in these competencies, it refers to a **KEY** customer/account, not other categories of customers.

1. Business and customer understanding

1.1 Knowledge of own company

Rationale

The customer, not unreasonably, expects that the key account manager will understand their own company, and not just its products. The customer will expect the key account manager to conduct an efficient relationship by navigating the decision making and operations in their own organization to deliver agreements made with the customer on time, on budget and with minimal fuss. Furthermore, by having a good understanding of their own organization's capabilities key account managers may be able to leverage and combine the facilities of different parts of their organization to bring new, unique and really interesting value to the customer.

NB. Knowledge of your products/services is included in 2.1 Product/service & application knowledge

Examples of relevant theory

- Organisational structures
- Organisational behaviour
- Supply chains and operations
- Value chains
- Market analysis

Competency requirement

Infrastructure, organisation and people

- Demonstrates understanding of the full extent of their own business, its divisions and locations.
- Recognises the activity of each division/location and how they can and could work together.
- Understands how the formal organisation of their own company affects its decisions and operation.
- Understands how individuals in the company are organised, e.g. who has budget responsibility and participates in decision-making, their specific concerns and expectations, and works with them accordingly.

- Records which are the principal influencers and most powerful individuals in their organisation.
- Responds to the needs of different departments, e.g. Operations, Finance, Customer Service, to secure decisions and actions for the customer.

Systems and processes

- Demonstrates understanding of their own organisation's value chain(s) and identifies other key organisations involved in the chain.
- Articulates their organisation's current and potential capabilities, noting significant limitations.
- Appreciates the guiding principles of the organisation's systems and processes e.g. safety, speed, low cost.
- Can explain how the organisation makes different decisions.
- Fully understands, works with and complies with sales and account management processes.
- Recognises the impact of their own organisation's systems and processes on the customer.

Company strategy

- Understands and articulates their organisation's strategy.
- Understands and follows their own organisation's stated values and ethics
- Appreciates how the strategy impacts on company decisions and actions.
- Understands, demonstrates and articulates the organisation's sales and marketing strategies, particularly in relation to key customers.
- Aligns offers to customers with the organisation strategy.
- Contributes appropriately in strategy development as required.

Their own organisation's marketplace

- Identifies and defines the marketplace(s) in which their organisation participates.
- Understands the ranking and role of the organisation in each value chain and marketplace, e.g. producer, distributor, retailers
- Understands the position and overall offer of the organisation's key competitors.

Examples of evidence

Candidate-produced analysis of own company.

Description of how you have researched your company, kept knowledge up-to-date.

Relevant formal training such as induction and company training days.

Supporting evidence could include, e.g. annotated/analysed company organograms, description/ analysis of activity at different locations, culture mapping

Company analyses in terms of strengths, weaknesses, issues, capabilities etc

- Collects and interprets information on trends, issues and pressures in their organisation's marketplaces.
- Interprets this information to develop an understanding of their own organisation's position in its business environment.

1. 2 Customer organisation

Rationale

Key account management is almost defined by the depth of knowledge of, and interest in, the customer. While understanding the customer's business internally is absolutely essential, a thorough knowledge of the of the customer's position in the marketplace is also critical.

NB - Knowledge of the customer's buying process is included in 2.1 Selling & Business development.

Competency requirement

Infrastructure, organisation and people

- Demonstrates understanding of the full extent of the customer and its various locations.
- Appreciates the activity of each location and how they work together.
- Recognises how the customer makes different decisions and how the formal organisation affects decision-making.
- Acquires customer organogram and builds and keeps up-to-date a database of contact details of relevant people in the customer organisation.
- Collects and keeps job-related details of individuals, such as budget responsibility, participation in decision-making, specific concerns and expectations etc.
- Recognises the principal influencers and most powerful individuals in the customer.
- Demonstrates knowledge of the decision-making unit and appreciates how to address its different members.

Systems and processes

- Demonstrates an understanding of the customer's value chain(s).
- Appreciates the guiding principles of the customer's systems and processes, e.g. safety, speed, low cost, and their implications.
- Understands the impact of the customer's systems and processes on interaction with the supplier.
- Ensures their organisation's compliance with the customer's systems and processes.
- Acquires and absorbs customer literature, especially the Annual Report.

Examples of relevant theory

- Organisational structures and organisational behaviour
- Supply chains and operations
- Value chains
- Market analysis: market mapping, environment analysis, competitor analysis

Examples of evidence

Your own research on your key account. Analysis of customer sales and your company's relevance, an annotated customer organogram, customer contact database, analysis of activity at different locations. Market mapping of your customer v. its competitors.

Customer's strategy and product/service offering

- Understands and articulates customer's strategy and how it impacts decisions.
- Understands the customer's key values and ethics and acts in ways consistent with them.
- Aware of the customer's complete range offered to its own customers. (i.e. their customer's customer)
- Demonstrates an understanding of the part of the customer's range or activity that is relevant to their organisation and the importance of that part to the customer.
- Recognises the customer's overall brand values and aligns offers with them.
- Understands and articulates the customer's specific value proposition and actual performance of each product/activity that is relevant to their organisation.

Customer's marketplace

- Identifies the marketplace(s) in which the customer operates.
- Identifies and understands the nature of the customer's customer segments.
- Understands the ranking and role of the customer in each marketplace relevant to the supplier.
- Collects information from the customer on trends, issues and pressures in relevant marketplaces.
- Understands the position and overall offer of the customer's key competitors.
- Interprets market information to understand the customer's position in its business environment.
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1.3 Value creation

Rationale

Key account management is not simply ongoing customer service and support. The job of the key account manager requires that he/she develop value for both the customer and their own organisation. Value creation for the customer is mandatory to secure the time, effort and resources on their side generally needed to implement the supplier's strategy.

Key account managers often find that it can be difficult to develop tailored added value for a key account because it can be complex. Getting the customer and their own organisation to support something new often has cross-functional implications: different functions have their own agendas and may not be aligned with and willing to support it.

The articulation of added value expectations is important to achieve buy-in from both sides.

Competency requirement

Expectations and opportunities for value creation

- Collects information from a range of sources in own organisation, the customer and external e.g. sector sources.
- Displays curiosity and inquisitiveness in an appropriate way and asks justifiable, coherent and answerable questions.
- Keeps information in a well-ordered and retrievable form.
- Populates established business analysis tools and frameworks with collected information, analyses and interprets data, draws meaningful conclusions.
- Identifies key addressable issues and critical relevant capabilities on both sides.

Process of value creation

- Identifies people involved in value creation process
- Manages value creation process, including group workshops for the formulation of clear statements of value propositions.
- Gains approval and commitment to value proposition from own company and key account.
- Oversees value development project progress and delivery.

Examples of relevant theory

- Supply chains and operations
- Value chains
- Market analysis: market mapping, environment analysis, competitor analysis

Examples of evidence

Customer insights that show what the customer places value on: e.g. speed, low cost of operation, flexibility etc
Value proposition statement with clear value for the key account.
Strategic account plan demonstrating value for key account.
Management and value development process and measurement/monitoring specifically of customer value delivery.

Measuring and monitoring value delivered

- Quantifies potential supplier benefit and customer benefit.
- Tracks delivery of agreed value by own organisation
- Sets up system to measure customer take-up and outcomes.
- Monitors actual value delivery, reports back versus expectations and takes corrective action.

1.4 Strategic planning for key accounts

Rationale

Strategic account plans are fundamental to the success of KAM. They should be forward-looking (minimum 3 years) based on a sound analysis of the past and anticipated future. Both internal and external factors must be considered, including supply chain and technical development as well as market changes and the economy. Coherent, well-reasoned, value-adding strategies for the individual customer, clearly articulated and captured in a comprehensive plan, are essential in gaining the supplier organisation's commitment and resources needed to make a difference to the customer. An effective presentation of the plan is an important step in gaining commitment for it.

While having a plan for a key account is of fundamental importance in key account management, it is clearly of no use if it is not executed. The competencies required to implement a plan are different from those involved in writing it.

Competency requirement

Preparing to plan

- Demonstrates understanding of the necessary scope and structure for the plan and the information needed to complete it.
- Maintains information on who holds what data in both the customer and own organisation.
- Collects, analyses and interprets information from a wide range of sources and creates relevant and doable value propositions.
- Identifies appropriate individuals to work with in developing the plan in own organisation and the customer where possible.
- Makes those involved aware of the plan production process, identifies and provides 'training' where necessary.

Production of plan

- Manages a process of tasks and workshops with identified participants to agree broad analysis, value added, principles and targets in the plan.

Examples of relevant theory

- Key account plan structure and content.
- Metrics
- Constituents of successful KAM programs.

Examples of evidence

Description of how key account plans have been executed, obstacles to implementation and action, working with other functions to implement plans. Reviews, performance reports, timetables etc with your responses. Development and presentations of key account plan(s) Participation in relevant formal training. Actual plan (treated in confidence), plan presentations, planning process organisation documents, and documented responses to plans.

- Writes a well-organised, complete, readily comprehensible, realistically ambitious, succinct but self-explanatory plan covering at least the next 3 years, including a brief but comprehensive executive summary and realistic and full action plan for minimum 1 year.
- Identifies the resources required to fulfil the plan in terms of nature, source, quantity, cost and timing.
- Includes metrics and targets in the plan to assess progress on specific strategies.
- Shares the draft plan with key individuals, accepts critiques and makes adjustments accordingly.
- Develops plan communication schedule and meets plan submission deadlines.

Resource acquisition

- Develops appropriate presentations for key internal stakeholders, anticipates and manages reactions.
- Adapts requirements to the agendas, needs and constraints of other functions, demonstrates an understanding of their processes and complies with them.
- Seeks and gains formal approval for the key account plan, including from providers of required resource.
- Creates additional business cases to justify use of further resources where needed.
- Delivers tailored, effective presentations to key customer stakeholders and gains commitment to supply necessary resources from resource 'owners' in the customer.

Alignment of action to plan

- Provides clear and timely briefings to people working with the customer or on their behalf and facilitates relationships between complementary supplier and customer functions.
- Actively uses the plan as a blueprint for action and checks the relevance of activity.
- Completes action to schedule and ensures that others do too.
- Builds a set of metrics to monitor both input into the account and outcomes resulting from the input.
- Monitors analyses, action and results and responds: takes timely action to poor metrics and learns from delays and shortfalls.
- Reviews plan progress with colleagues and customer regularly.

2. Sales and business development

2.1 Product/service and application knowledge

Rationale

It is generally not possible for key account managers to be product specialists and know everything about the supplier's products or services that the customer may want to know; often the range and number of products sold to a key customer can be huge. Equally, knowing nothing about products and their applications it is not acceptable: key account managers must know enough to hold sensible conversations with the customer and pick up on opportunities. They can then call in product specialists where more know-how is required.

Examples of relevant theory

- Value in use
- Core and augmented product
- Competitor analysis

Examples of evidence

Description of how you keep up to date with your company's products. Product/service 'feature to benefit' analyses, competitor product/service analyses, site visits to customers to view product/services in use.

Competency requirement

Knowledge of own company's range

- Is aware of the supplier's total product/service offering, including that of other business units.
- Demonstrates understanding of how the supplier's products/services from other business units are viewed by the customer.
- Recognises the full range and the structure of their business unit's product/services and how they fit together.
- Understands the supplier's offering of product/service support and other services.
- Keeps up-to-date with new introductions and modifications and deletions.

Product application and performance

- Recognises the role of the supplier's products and services in the customer's processes and/or offering.
- Articulates key features, benefits and any significant limitations of the supplier's products. Is aware of key elements of product/service performance and how that impacts their use.
- Demonstrates knowledge of how products/services are used by the customer and finds opportunities to observe products/services in use.

- Identifies benefits of genuine value to the customer and formulates coherent value propositions.
- Appreciates and articulates how the supplier's support services can improve performance.

Competitors' product/service offering

- Is aware of competitors' product/service offering.
- Appreciates and articulates the positions of both full range and specialist competitors.
- Compares ranges and understands strong areas and gaps in each.
- Understands and articulates relative product/service strengths and weaknesses in feature and benefit terms.
- Keeps up-to-date on competitor prices and promotions.

2.2 Consultative selling and business development

Rationale

Selling is a vital skill required of all key account managers, although it is not where most of their time is generally spent. At certain critical points selling becomes very important to secure a supply contract, but a lot of the time the key account manager's job is to optimize the flow through that contract, once agreed. Selling skills are widely applicable and desirable beyond product/service sales, to include concepts and new initiatives.

Key account managers are not only reactive 'farmers' of a key account, extending existing business, they also need to develop new business within the customer, which may require introducing products and services that the customer does not currently buy from the supplier. There may also be an opportunity to enter a new part of the customer's business, maybe another site, division or country. Business development in KAM can also involve winning a new customer that has been qualified as having the potential to be a key account and needs to be treated as such from the start.

Examples of relevant theory

- Buying strategies and Kraljic matrix.
- Key account categorization matrix
- Buying cycles and decision-making units
- Opportunity matrix analysis
- Insight based questioning process
- Trusted advisor role

Competency requirement

Consultative selling

- Researches customer for areas of opportunity complemented by own company's expertise in any area, e.g. technology, marketing, sector, information, management or any other.
- Explores willingness of own company to offer expertise.
- Gains internal agreement on role and detail of 'trusted advisor' status with specific accounts.
- Establishes own company's areas of expertise with appropriate customer people.
- Shares own expertise whenever possible and facilitates input/expertise from others.
- Develops offers and value aligned with the customer's needs and expectations.

Examples of evidence

Matrices: Kraljic, key account categorization, opportunities
DMU maps
Question plan

Customer's buying process

- Logs and tracks anticipated sales opportunities.

- Plans and secures attendance of necessary participants at sales meetings, prepares thoroughly, manages meeting, listens well and follows up commitments.
- Demonstrates understanding of the customer's buying strategy, demands and constraints
- Prepares for and complies with the customer's tendering and contract process, its steps, critical dates and typical lead times.
- Identifies the roles of key managers involved in the buying process, builds relationships with them, including procurement.
- Through early engagement influences the specification and terms of tenders/RFQs (requests for quotation).

New products/services

- Identifies products/services within the supplier's range not yet bought by the key customer.
- Explores the buying process for the new product/service and purchase decision-making unit (DMU).
- Uses existing relationships to build new relationships with DMU members.
- Analyses opportunities and why needs are currently satisfied by a competitor or alternative product or left unsatisfied.
- Builds benefit cases, quantifies them and creates opportunities to present selected benefits to key decision-makers.
- Expands range of products/services bought by the customer.

New customer business units

- Identifies sites and business units within the customer not currently buying from the supplier.
- Uses existing relationships to gain introductions to contacts on other sites/in other divisions.
- Builds relationships with key contacts and gains information about situation, marketplace, strategy, activities, needs and issues, buying process and DMU etc.
- Analyses opportunities and why needs are currently satisfied by a competitor, alternative product, or left unsatisfied.
- Builds benefits cases and quantifies them and creates opportunities to present selected benefits to key decision-makers.
- Expands number of the customer's business units/sites buying from the supplier.

2.3 Negotiations with customers

Rationale

Key account managers need to be highly proficient at negotiating with customers. Customers will often demand lower prices, better payment terms, preferential supply arrangements or other special terms. Each of these can have a significant cost to a supplier's business. Different customers use different negotiating strategies and tactics so key account managers need to be astute and agile to produce 'win-win' outcomes. Negotiation 'successes' that 'win the battle' can 'lose the war' in key customers, leaving serious legacy issues. Most negotiation experts agree that successful outcomes depend heavily on preparation, and coordination is vital when a team is involved.

Note: Part of the key account managers role is internal negotiation, which can also be challenging. This is covered in 'Managing Internal relationships'

Examples of relevant theory

- Interpersonal communications
- Principled negotiation

Examples of evidence

Negotiation preparation documents
Negotiation plan
Negotiated outcomes

Competency requirement

Situation analysis

- Establishes history, both parties' needs and their strength, scope, flexibility, timescales etc
- Builds relationships with key people, especially Procurement in sales/bid negotiations, and collects more information from them to gain greater depth of understanding
- Identifies people involved on both sides (Decision-Making Units), their goals and objectives, decision making/buying process and budget
- Analyses information to identify key issues and priorities.
- For key accounts, identifies supplier's position in the customer's Kraljic matrix (market risk/purchasing power) for this acquisition and hence their likely buying strategy.
- Creates/identifies value required and value offered and clarifies relevance.
- Considers how each negotiation will impact on other current and future business activities.

Preparing to negotiate

- Understands and follows a negotiation process

- Identifies own objectives for all parameters and prepares view of levels of achievement, including BATNA (Best Alternative To Negotiated Agreement, NOT 'lowest we will go').
- Puts him/herself in the other party's 'shoes', anticipates their objectives and strategies.
- Identifies who will be involved in the negotiation on both sides, explores their personal approaches and agendas.
- Agrees own negotiation strategy, assigns roles to others involved and rehearses.
- Makes 'shopping list' of exchangeable benefits in terms of value and cost, predicts other party's shopping list.
- Investigates cost and viability of performance-based and risk/reward contracts.

Negotiation and follow-up

- Sets ambitious but realistic opening stances.
- Describes key benefits and values for the other party in their language.
- Maintains confidence in value offered but is flexible to make progress in accordance with internally pre-agreed parameters.
- Understands and uses different negotiation styles as appropriate.
- Makes clear agreements that all parties will adhere to.
- Agrees mechanisms for monitoring and controlling progress and handling disputes.
- Reviews negotiations to learn and improve future undertakings.

2.4 Financial understanding

Consultative selling and business development

Rationale

Finance is not a separate business issue; it is everyone's concern. Key account managers in particular ~~can~~ have a huge impact on decisions that have financial consequences. They need to have sufficient financial awareness to be able to understand and work with finance and accounting functions and senior management making major financial decisions.

Key customers rarely stick to pricelist prices and frequently expect flexible offers and bundles. They also need to understand the financial costs and opportunities that key account management brings, so they can themselves make sensible responses to reasonable requests and participate constructively in pricing consultations and negotiations.

Examples of relevant theory

- Company financial analysis
- Pricing strategy
- Activity based costing
- Management accounting

Competency requirement

Financial awareness and acumen

- Responds to Finance Department thinking/ processes, develops business cases to support proposals
- Understands importance of cash flow, calculates the time value of money and applies concepts like Discounted Cash Flow (DCF) and Net Present Value (NPV).
- Factors risk into financial calculations and applies as a quantifiable concept
- Reads key account's annual report, especially the balance sheet and other financial information, and develops an interpretation of the account's financial position.
- Discovers the account sensitivity to and key influences on its share price, checks regularly.

Examples of evidence

Key customer product, service and support cost and price analyses, pricing deviations from list.
Price modelling and implementation plans
Customer profitability.
Participation in financial training.

Customer profitability

- Regularly receives and analyses data on customer sales, analyses cost, price and gross margin (GM) data.
- Establishes customer-relevant costs and calculates true profitability of customer's business for the supplier (their own business), i.e. 'customer profitability'.
- Understands concepts like fixed and variable costs and works to reduce the biggest and most important costs in each part of the product/service/supply chain.

- Identifies product/services sold to the customer that make a poor return, finds out why and takes action to improve performance.
- Appreciates the scope of customer support costs and seeks to optimize them.
- Works to reduce avoidable cost-causing customer and supplier behaviours and actions e.g. unnecessary duplication of work, over-specification.

Pricing

- Matches different pricing strategies with the situation, proposes and applies them (i.e. cost-based, market-based, competitive, value-based, etc.)
- Demonstrates understanding of the impact of discounts and free product offers on profitability and formulates strategies/tactics to avoid them.
- Readily accesses current prices and understands the impact of the customer's terms and conditions.
- Prepares for and professionally handles price changes with the customer.
- Anticipates and calculates the financial effects of price/volume elasticity in the key account and competitor reactions to price changes.

3. Organisational effectiveness

3.1 Communication

Rationale

The job of a key account manager involves communication, day in, day out: it is the most time-consuming activity of all, so key account managers need to have particularly good communication skills, including vital listening skills. Communicating for a key account manager is complex and involves a variety of 'audiences' within both the supplier and the customer organisations. Communication often fails unless this variety is acknowledged, through different content and different media.

Examples of relevant theory

- Interpersonal communications
- Marketing communications

Competency requirement

Communication overall

- Sets objectives and develops plans for important and complex communications.
- Recognises the relevance of and responds to the needs and interests of different internal and customer 'audiences'.
- Adapts communications for different audiences and addresses them in a timely manner.
- Uses a wide range of communication media and selects the medium to match the message and the audience.
- Has an acceptable command of language, vocabulary, grammar and spelling.
- Communicates accurately, clearly and concisely in speaking and writing.
- Anticipates responses to communications and prepares to handle them.

Examples of evidence

Key account manager communication policy and/or plan.
Formal communication training e.g. presentation skills.
Written reports etc, presentations you have developed, print materials written/briefed.

Personal communication

- Recognises the impact of non-verbal communication (body language) and presents him/herself appropriately.
- Listens to others and responds appropriately: understands when to talk and when to allow others space to talk, whether face to face, phone or Zoom/Go to Meeting etc.
- Organises thoughts before speaking and is readily understood.
- Creates appealing presentations and delivers them clearly and confidently, facing the audience, to allotted time.

- Speaks clearly and at an appropriate speed, neither too fast nor too slow.
- Appreciates the role of informal communications, seeks and uses opportunities.

Traditional communication media

- Creates a logical flow through a communication.
- Clearly expresses concepts, analyses, conclusions etc.
- Produces careful, accurate, well-organised and structured formal communications (letters, proposals, reports, contracts etc) of an appropriate length, neither too short nor too long.
- Works with others to provide the purpose, concept, detail, raw material and checks to enable them to produce communications in a timely manner (e.g. brochure, flyer, newsletter, PR release etc).

Digital communications

- Writes businesslike emails to an acceptable standard, manages email traffic and guards against email swamping and 'accidents' e.g. 'reply all' mistakes.
- Understands the power and nature of social media, participates appropriately and complies with company policies.
- Supports company social media drivers with timely and appropriate messages.
- Readily shares customer information with account based marketers (ABMers).
- Works closely with ABM marketers to produce appropriate and well targeted content integrated into conversations with key accounts.
- Uses videoconferencing to increase customer contact.

3.3 Project management

Rationale

Key account management is essentially working with key customers to deliver tailored, differentiated commitments, which require developments in all kinds of areas of across the supplier organisation. There is a common assumption that differentiation means product development, but frequently the offer involves customisation of other areas to the customer's needs e.g. supply chain, information provision, finance, marketing etc. Clearly it is in the key account manager's interest that these change projects are completed successfully. That may mean they need to manage the project themselves, where there is no other project manager clearly responsible, or it may mean that they need to work closely with a designated project manager, particularly around the interface with the key customer. Most significant projects involve change activities.

Examples of relevant theory

- Project management
- Change management

Examples of evidence

Project plans
Allocated task lists and priorities
Notes of project management meetings
Attendance at any formal training together with outcomes.

Competency requirement

Scoping and defining the project.

- Specifies the concept and desired outcome with the project customer.
- Explores project feasibility and gains commitment from own organization.
- Identifies project manager and key account manager role, either project management or liaison with project customer.
- Specifies project outcomes in terms of scope, quality, time, cost and risk.
- Is aware of problem solving techniques and uses them in working with others.
- Agrees project outcomes and objectives (i.e. deliverables) with the project customer and own organisation.

Planning the project.

- Specifies project deliverables and timing.
- Recruits project team.
- Identifies and communicates with all project stakeholders.
- Decides project approach depending on complexity: sequential/waterfall, iterative, agile etc.
- Writes project plan, with reference to scope, quality, time, cost and risk, including measurement/ progress indicators.

- Plans workstream and allocates tasks to team members.
- Identifies go/no go 'gates'.

Project delivery

- Holds regular meetings with project team.
- Checks fulfilment of agreed actions.
- Checks actions on course to deliver agreed outcomes and objectives, particularly against agreed measurements and progress indicators, including monitoring of budgets and finance.
- Liaises with project customer.
- Applies go/no-go gates at appropriate points.
- On completion, checks that specified deliverables are being delivered.
- Holds review of project process and project customer satisfaction

Examples of relevant theory

- Situational Leadership
- Influencing
- Authentic leadership
- High performing teams

3.4 Leadership

Examples of evidence

Goal setting
Record of high-profile role at events
Notes of key account team meetings
Customer endorsements

Rationale

It is ironic that, while many companies offer leadership courses to new department managers, they are rarely offered to key account managers, although they have one of the toughest leadership roles in the organisation. Key account managers may not have direct line reports who would recognise their authority, instead they need to lead virtual and often ambivalent teams and lead reluctant internal peers and senior managers to make changes. Key account managers also need to demonstrate leadership to their key account in thought and influence. High quality leadership must be demonstrated by key account managers. It is an acquirable competency, not a genetic trait.

Competency requirement

Key account team.

- Knows team members well as individuals, and appreciates their expertise and functions.
- Agrees objectives for team with members and clarifies their roles and delegated tasks.
- Encourages team members to proactively contribute their ideas, concerns and expertise.
- Shares customer relationship with team, fully briefs team members and trusts them to fulfil their roles appropriately.
- Promotes the team internally and with the customer.

- Deals with organisational issues to deliver efficient and effective outcomes.
- Holds regular team meetings, schedules them well in advance and provides the agenda and documents for discussion in good time.
- Has clear objectives for team meetings, achieves good participation levels, optimises the use of team members' time and follows up on decisions and actions.

Key account

- Displays thought leadership through grasp of new ideas and influence in the sector.
- Influences the key customer's senior management to support agreed initiatives.
- Builds relationships inside the customer's organisation and gains their cooperation in projects agreed with the key customer contact, especially Procurement.
- Works across functional and geographical barriers in own and customer's organisations to reach valuable people.
- Creates/conveys innovative value to the key customer and deals with challenges to its introduction.
- Accepts responsibility for the supplier's performance with the key account.

Peers and senior managers

- Influences own senior management to engage with and support the key customer.
- Uses a range of influencing styles internally to achieve objectives.
- Influences without using negative styles like coercion and bargaining that have legacy issues.
- Maps opinion leaders inside the organisation and targets them.
- Applies conflict management techniques to resolve issues.
- Demonstrates appreciation of the value of peers and shares leadership when appropriate.

4. Relationships and interaction

4.1 Customer categorisation and relationships

Rationale

The primary role of the key account manager is to develop and manage for profit the relationship with his/her strategic customer and to orchestrate the process of interaction between the two companies.

Some key customers present greater business opportunity than others and customer relationships, which cost time and money, must reflect their potential. Supplier senior management should clearly identify prioritised customers and key account managers must align their activities accordingly and guide the resources of their organisation to serve prioritised customers.

The key account manager will rarely be/should not be the only person engaged in such customer relationships: their role is to oversee relationships between other members of their own organisation and contacts in the customer, especially key people, to ensure consistent communications and the full capture of opportunities.

Competency requirement

Customer attractiveness

- Recognises the link between customer attractiveness and the achievement of corporate strategy
- Recognises and accepts that customer attractiveness is dependent upon their potential for superior returns on investment rather than current turnover.
- Understands and accepts the quantitative and qualitative criteria used to identify strategic customers by their potential for profit.
- Rates customers objectively and accurately against criteria when requested.
- Categorises own customer portfolio similarly.

Examples of relevant theory

- Business relationships
- Customer portfolio mapping/segmentation
- Relational states of key accounts

Examples of evidence

Analysis and application of relational states and potential.
 Strategies and plan for management and development of key customer relationships.
 Annotated customer organogram with importance and relationship

Relational states

- Is aware that different states of relationships with strategic customers exist, with different characteristics, climate and potential.
- Makes informed choices about the nature/state of the relationship that should be developed with each key customer
- Develops relationships to the agreed level and does not over-invest time or money to develop them beyond the appropriate stage.
- Recognises opportunities and action appropriate to the relational state and works with them.

Relationship management

- Prioritises key customers over others.
- Maintains relationships at all levels in the customer's organisation, including senior managers.

- Seeks, develops and maintains relationships across a range of the customer's functions.
- Feeds key contacts with appropriate and timely information and support.
- Identifies contacts open to competitors and protects business with them.
- Takes care to protect confidential communications.
- Demonstrates trustworthiness to the customer and actively maintains it, personally and organisationally.
- Sets up a system of explicit relationship governance with the customer that specifies participants in the relationship, meetings, access to information, decision-making powers etc

Relationship development

- Adopts a purposeful approach to building and maintaining relationships and has a plan of action for it.
- Recognises valid relationship constraints and works with them: e.g. both parties' perceptions of the strategic importance of the other.
- Identifies gaps/missing/poor relationships in the customer organisation and pro-actively develops them.
- Appreciates the personal professional issues and needs of contacts (e.g. reputation, innovation, management capability) and develops relationships by responding to them.

4.2 Managing Internal relationships

Rationale

Key account managers cannot deliver value to customers alone, they are dependent upon the alignment of their whole company around delivering value to the customer. They need to be able to mobilise the supplier's resources without direct line authority, through working with multi-disciplinary resources and identifying centres of influence and potential allies. Others in their own organization can help them uncover and develop opportunities in their key account as well as to execute agreed activities. Wise account managers invest to engage and motivate their internal colleagues.

Examples of relevant theory

- Conflict resolution
- Organisational behaviour
- High performing teams

Competency requirement

Internal allies

- Respects colleagues and understands the role of internal relationships in achieving goals.
- Takes time to build internal relationships.
- Identifies key allies across the organisation and proactively builds relationships with them.
- Builds relationships with several senior managers.
- Identifies the interests of potential allies and adapts approach accordingly.
- Is aware of geographical and cross-functional boundaries, why they exist and how they operate.
- Understands how to overcome internal boundaries using influence and negotiation.

Examples of evidence

Description of internal relationships, links, issues and concerns, decisions making.
Workings of cross-functional activity.
Annotated company organogram, internal relationship development plan, analysis of relationship states and potential.

Cross-functional working

- Recognises what the KAM function can and cannot itself supply to customers.
- Recognises the role of other departments in delivering benefits to key customers.
- Understands the needs, concerns, culture and capabilities of internal functions and responds appropriately.
- Introduces expert members of other departments to their customer counterparts.
- Keeps customer-involved people up-to-date on customer developments, objectives, strategy and tactics.

- Encourages members of other departments to work directly with the customer.
- Clarifies his/her requirement for feedback and decisions from such interactions and maintains a level of visibility and oversight of all interactions with their key customer/s.

Personal Integrity and trustworthiness

- Ensures responsibilities and accountabilities are clear within the internal key account team.
- Follows through and reliably implements agreed actions and proactively deals with underlying requirements.
- Recognises and pays attention to important detail, but does not get mired in unimportant detail or others' responsibilities
- Lives the organisations values.
- Maintains confidentiality as required on sensitive information.
- Makes others aware of personal standards and sticks to them.
- Operates comfortably with uncertainty and complexity while remaining personally predictable and consistent.

Examples of relevant theory

- Trusted advisor status
- Social capital
- Business networks
- Collaborative working

4.3 Collaborating

Rationale

Key account managers play an important role in developing and sustaining long term contracts and collaboration between their own organisation and key customers. Developing partnerships can involve integrated approaches in which both the supplier and customer invest resources to develop new or transformational outcomes: e.g. innovation, supply chain or regulatory compliance projects require deeper and broader collaborative links across extended periods of time.

Key account managers can bring great value to all, including third parties, by making links, sharing knowledge and expertise and developing collaborative frameworks but, to be effective in this way, they need to establish an appropriate attitude and behaviour that is acceptable and appealing to those with whom they should interact, e.g. networking skills, political insight, integrity and trustworthiness are required to lead and support partnership collaborations.

Competency requirement

Effective collaboration

- Recognises and responds appropriately to the collaborative nature of business with key accounts.
- Understands the nature and objectives of collaborative projects and helps parties involved to stay focused.
- Identifies assets and capabilities that her/his own organization needs to protect such as Intellectual Property (IP) and sensitive commercial information.
- Facilitates agreements on ways of working and approaches to conflict resolution.
- Considers and manages the commercial inputs and returns required by each party.
- Helps identify, assess and communicate risks.
- Proactively pursues initiatives with long-term mutual benefit.

Networking

- Demonstrates broad knowledge of the sector and influential people in it and maintains a database of valuable individuals.
- Participates in a range of activities and communication media to build and maintain connections.
- Identifies key parties and builds strong relationships with them.
- Connects readily with professionals and shares relevant information in a timely manner.
- Formulates enquiries discreetly and readily gains information from others
- Establishes personal gravitas and credibility alongside pragmatic 'street-wise' approach.

Examples of evidence

Visual representations of networks and players in it
 Political analysis
 Involvement in steering meetings
 Key role in major collaboration projects

Political astuteness

- Analyses political landscape in own and customer's organisation.
- Understands and adapts to the outlooks, cultures and policies of collaborating parties.
- Identifies decision makers, opinion leaders and targets and their political positions.
- Recognises 'political' issues and develops plans to address them where necessary.
- Ensures expectations are clear and terms of the collaboration are locked down.
- Employs a range of influencing styles as different situations and individuals demand.