

CONTENTS

About the authors xi

Preface xiii

Acknowledgements xv

01 Introduction to implementing key account management 1

Overview 1

Why this book now? 1

The process of value creation has shifted focus 5

Why should your company consider implementing KAM (or not)? 7

Effective KAM programmes 10

Key guiding principles for quality KAM implementation 14

Purpose and structure of the book 23

Questions for managers 26

References 26

Note 29

PART ONE Re-engaging strategic customers 31

02 Adopting key account management 33

Overview 33

The need for KAM 34

Selection of key accounts 42

The KAM investment 54

Conclusion 56

Questions for managers 57

References 57

03 Building customer understanding and value planning 58

Overview 58

Building an in-depth understanding of the customer's world 59

Key account planning 71

Conclusion 90

Questions for managers 90

References 91

04 Developing customer relationships 92

Overview 92

Buyer–supplier relationships 92

Developing successful relationships with key accounts 101

Case study and interview 113

Conclusion 114

Questions for managers 115

References 115

PART TWO Developing winning offerings 117

05 Creating compelling customer value propositions 119

What is a customer value proposition? 119

Linking innovation and KAM 120

Components of a compelling customer value proposition 122

Defining customer future state 123

Expanding your offer to the customer 125

Quantifying customer value 127

Products and advanced services 128

Example of a customer value proposition 133

Ten tips to create a compelling customer value proposition 135

Final thoughts 138

References 140

06 Co-creating value with key customers 141

Overview 141

Foundations of value co-creation: value in exchange vs value in use 141

Practices and capabilities for value co-creation 145

Value co-creation as purposeful engagement 151

Conclusion 154

Questions for managers 158

References 158

PART THREE Designing customer-centric approaches and processes 163

07 The role of the key account manager and the KAM team 165

Overview 165

The role of the key account manager 166

Key account manager competences and skills	177
Recruiting, developing and leading key account managers	178
Key account teams	184
Conclusions	188
Questions for managers	188
References	189

08 Measuring KAM performance 190

Overview	190
The complexity of KAM performance	191
A proposed framework for measuring KAM performance	192
Linking performance to insights	214
Conclusion	215
Questions for managers	215
References	216

09 Motivating, incentivizing and rewarding for KAM 218

Overview	218
The need for revisiting compensation systems in KAM	218
Traditional rewards and their limitations for KAM roles	222
Unintended consequences of performance-related incentives	223
Motivation theories that underpin traditional reward schemes	226
Motivational and organizational theories that support KAM approaches	228
Guidelines for implementing KAM-oriented rewards	230
Conclusion	235
Questions for managers	235
References	235

10 KAM and procurement: the buyer's perspective and value-based negotiation 238

Sales, negotiation and KAM: what's the difference?	238
How do buyers look at you?	241
Realistic relationships	243
Buying and procurement (strategic and operational tensions)	246
The supplier assessment framework	249
Cost, price, value, risk (price and contract options)	255
Tips for understanding procurement and adopting a value-based price position	260
References	262

11 International key account management 263

Overview 263

Managing international key accounts 264

Global vs local: some common pitfalls of IKAM 274

The cultural dimension of managing international key accounts 278

How does KAM apply in different countries? 283

Conclusion 285

Questions for managers 285

References 286

**PART FOUR Assessing your KAM programme:
a framework 287**

12 The KAM Framework 289

A different way of doing business 289

Organizational capability and individual competence 291

Strategy–capability–change 292

The importance of a robust and shared vision 296

The KAM Framework 298

Building the organization to fit customer types 301

Expanding the KAM standards 303

Mind the gap (find the truth) 309

Final thoughts and advice for adopting the KAM Framework 314

References 315

*Epilogue: Final word on implementing KAM from a global practitioner
at Unilever Food Solutions 317*

Index 320