Chapter 8

THE SALES AND KEY ACCOUNT PLAN

SUMMARY

- Linking personal selling to marketing strategy
- How important is personal selling?
- The role of personal selling in the marketing mix
- A method for determining the correct number of salespeople required
- How to set quantitative and qualitative sales objectives
- How to improve sales force productivity
- How sales forces should be managed
- How to prepare the sales plan
- How to manage key accounts
- How to prepare a key account plan
- Exercises to turn the theory into practice

INTRODUCTION

In the previous chapter, we described how to develop an integrated marketing communications plan. Another aspect of the 'promotion' part of the marketing mix is the sales force. Personal selling has an important strategic role to play in communicating between a company and its customers. To have a chance of success, management must be able to answer the following kinds of questions:

- How important is personal selling?
- What is the role of personal selling in the marketing mix?
- How many salespeople do we need?
- What do we want them to do?
- How should they be managed?
- Should we treat key accounts differently?

Marketing Plans: How to Prepare Them, How to Profit From Them, Eighth Edition
By Malcolm McDonald and Hugh Wilson

These and other questions will be considered in this chapter as important determinants of the sales plan. However, those readers who believe they already know enough about personal sales and key account management (KAM), or those who primarily use other sales channels such as websites, can go straight to the next chapter on multichannel planning.

LINKING PERSONAL SELLING TO MARKETING STRATEGY

A senior sales vice-president of a global chemical company (who has asked to remain anonymous), informed the authors that in his particular division, it was well understood that with reference to the Ansoff Matrix:

- Selling products to existing customers requires one theoretical unit of sales effort.
- Selling new products to existing customers requires four theoretical units of sales effort.
- Selling existing products to new customers requires 40 theoretical units of sales effort.
- Selling new products to new customers requires 400 theoretical units of sales effort.

Marketing strategists should bear these 'statistics' in mind! Although they have not been proved by scholarly research, intuitively, any experienced person would agree with them.

Personal selling is promotion via a person-to-person conversation, whether it be at the customer's premises, on the telephone or elsewhere.

HOW IMPORTANT IS PERSONAL SELLING?

Most organizations had an organized sales force long before they introduced a formal marketing activity of the kind described throughout this text. In spite of this fact, sales force management has traditionally been a neglected area of marketing management.

There are several possible reasons. One is that not all marketing and product managers have had experience in a personal selling or sales management role; consequently, these managers often underestimate the importance of efficient personal selling.

Another reason for neglect of sales force management is that sales personnel themselves sometimes encourage an unhelpful distinction between sales and marketing by depicting themselves as being at 'the sharp end'.

After all, isn't there something slightly daring about dealing with real live customers as opposed to sitting in an office surrounded by marketing surveys, charts and plans? Such reasoning is obviously misleading.

Unless a good deal of careful marketing planning has taken place before salespeople make their effort to persuade the customer to place an order, the probability of a successful sale is much reduced.

The suggested distinction between marketing 'theory' and sales 'practice' is further invalidated when we consider that profitable sales depend not just on individual customers and individual products but on groups of customers (i.e. market segments) and on the supportive relationship of products to each other (i.e. a carefully planned product portfolio).

Another factor to be taken into account in this context is the constant need for the organization to think in terms of where future sales will be coming from, rather than to concentrate solely on present products, customers and problems.

The authors have investigated many European sales forces over the last two decades and have found an alarming lack of planning and professionalism. Salespeople frequently have little idea about which products and which groups of customers to concentrate on, have too little knowledge about life within the businesses they are selling to, do not plan meetings well, rarely talk to customers in terms of benefits, make too little effort to close the sale, and make many calls without any clear objectives. Even worse, marketing management is rarely aware that this important and expensive element of the marketing mix is not being managed effectively.

The fact that many organizations have separate departments and directors for the marketing and sales activities increases the likelihood of such failures of communication. Although its importance varies according to circumstances, in many businesses the sales force is the most important element in the marketing mix.

MARKETING INSIGHT

In industrial goods companies, for example, it is not unusual to find very small amounts being spent on other forms of communication and very large sums being spent on the sales force in the form of salaries, cars and associated costs. Personal selling is also used widely in many service industries where customers are looking for very specific benefits. Insurance companies, for example, do use online channels, but many rely for most of their sales of higher-margin, more complex products on personal selling, whether face-to-face or by telephone. Customers for insurance policies in all but the simplest insurance categories almost invariably need to discuss which policy would best fit their particular needs and circumstances; it is the task of the salesperson (whether employed by the insurer or an intermediary) to explain the choices available and to suggest the most appropriate policy.

Recent surveys show that more money is spent by companies on their sales forces than on advertising and sales promotion combined. Personal selling, then, is a vital and expensive element in the marketing mix.

The solution to the problem of poor sales force management can only be found in the recognition that personal selling is, indeed, a crucial part of the marketing process, but that it must be planned and considered as carefully as any other element. Indeed, it is an excellent idea for any manager responsible for marketing to go out into a territory for a few days each year and attempt to persuade customers to place orders. It is a good way of finding out what customers really think of the organization's marketing policies!

THE ROLE OF PERSONAL SELLING

Personal selling can be seen most usefully as part of the communications mix. (Other common elements of the communications mix, it will be remembered, are advertising, sales promotion, public relations, the Internet, call centres, direct mail, exhibitions, etc.) The surveys set out in Chapter 7 show that organizations cannot leave the communications task only to the sales force. The same question remains, however, with advertising: 'How is the organization to define the role of personal selling in its communications mix?' Again, the answer lies in a clear understanding of the buying process which operates in the company's markets.

The efficiency of any element of communication depends on achieving a match between information required and information given. To achieve this match, the marketer must be aware of the different requirements of different people at different stages of the buying process. This approach highlights the importance of ensuring that the company's communications reach all key points in the buying chain. No company can afford to assume that the actual sale is the only important event.

The efficiency of any element of communication depends on achieving a match between information required and information given.

In order to determine the precise role of personal selling in its communications mix, the company must identify the major influencers in each purchase decision and find out what information they are likely to need at different stages of the buying process.

Most institutional buying decisions consist of many separate phases, from the recognition of a problem through to performance evaluation and feedback on the product or service purchased. Furthermore, the importance of each of these phases varies according to whether the buying situation is a first-time purchase or a routine repurchase. A similar multi-stage process applies to more complex consumer decisions. Clearly, the information needs will differ at each stage. (This was discussed in some detail in Chapter 7 – in particular, see Figure 7.6.)

Personal selling has a number of advantages over other elements of the communications mix:

1. It is a two-way form of communication, giving the prospective purchaser the opportunity to ask questions of the salesperson about the product or service.
2. The sales message itself can be made more flexible and, therefore, can be more closely tailored to the needs of individual customers.
3. Salespeople can use in-depth product knowledge to relate their message to the perceived needs of the buyer and to deal with objections as they arise.
4. Where the product or service can be tailored to the customer, a dialogue can take place about how best to do this.
5. Most importantly, salespeople can ask for an order and, perhaps, negotiate on price, delivery or special requirements.

In a 2014 Gartner blog, 'Tech Go-to-Market: Effective sales interactions guide buyers forward through insights and added value', by Hank Barnes and Tiffani Bova, evidence was provided that personal selling was the most important influence on a company's decision to purchase. The poorest influence was found to be advertising and social media.

Once an order has been obtained from a customer and there is a high probability of a rebuy occurring, the salesperson's task changes from persuasion to reinforcement. All communications at this stage should contribute to underlining the wisdom of the purchase. The salesperson may also take the opportunity to encourage consideration of other products or services in the company's range.

Clearly, in different markets, different weighting is given to the various forms of communication available. In the grocery business, for example, advertising and sales promotion are extremely important elements in the communications process. However, the food manufacturer must maintain an active sales force which keeps in close contact with the retail buyers. This retail contact ensures vigorous promotional activity in the chain. In the wholesale hardware business frequent and regular face-to-face contact with retail outlets through a sales force is the key determinant of success. In industries where there are few customers (such as capital goods and specialized process materials) an in-depth understanding of the customers' production processes has to be built up; here, again, personal contact is of paramount importance. In contrast, many fast-moving industrial goods are sold into fragmented markets for diverse uses; in this area, forms of communication other than personal selling take on added importance.

Many companies in the IT sector use personal selling to good advantage. IT hardware and software applications vary enormously in the range of capabilities they offer. Technical details can be supplied in brochures and other promotional material, but the managers likely to be taking the purchase decision often find it difficult to evaluate the alternatives. A good salesperson can ascertain quickly the requirements of a particular client and identify to what extent these will be fulfilled by their solutions. For their part, the customer can identify quickly whether the company understands their requirements, whether it appears credible, and whether or not it is able to provide the back-up service necessary to implement the solution and establish its use in the organization. Such considerations are likely to be far more influential than the comparison of technical data sheets in a decision to purchase.[1]

DETERMINING THE REQUISITE NUMBER OF SALESPEOPLE

The organization should begin its consideration of how many salespeople it needs by finding out exactly how work is allocated at present. Start by listing all the things the current sales force actually does. These might include opening new accounts; servicing existing accounts; demonstrating new products; taking repeat orders; and collecting debts. This listing should be followed by an investigation of alternative ways of carrying out these responsibilities. For example, telephone selling has been shown to be a perfectly acceptable alternative to personal visits, particularly in respect of repeat business. The sales force can thus be freed for missionary work, which is not so susceptible to the telephone approach. Can debts be collected by mail or by telephone? Can products be demonstrated at exhibitions or showrooms? It is only by asking these kinds of question that we can be certain we have not fallen into the common trap of committing the company to a decision and then seeking data and reasons to justify the decision. At this stage, the manager should concentrate on collecting relevant, quantified data and then use judgement and experience to help in making a decision.

Basically, all sales force activities can be categorized under three headings. A field-based salesperson:

- makes calls
- travels
- performs administrative functions.

These tasks constitute what can be called the workload. If we first decide what constitutes a reasonable workload for a salesperson, in hours per month, then we can begin to measure how long their current activities take, hence the exact extent of their current workload.

This measurement can be performed either by some independent third party or, preferably, by the salespeople themselves. All they have to do for one simple method of measurement is to record distance travelled, time in and out of calls, and the outlet type. This data can then be analysed easily to indicate the average duration of a call by outlet type, the average distance travelled in a month, and the average speed according to the nature of the territory (i.e. city, suburbs or country). With the aid of a map, existing customers can be allocated on a trial-and-error basis, together with the concomitant time values for clerical activities and travel. In this way, equitable workloads can be calculated for the sales force, building in, if necessary, spare capacity for sometimes investigating potential new sales outlets.

This kind of analysis sometimes produces surprising results, as when the company's 'star' salesperson is found to have a smaller workload than the one with the worst results, who may be having to work much longer hours to achieve sales because of the nature of the territory.

There are, of course, other ways of measuring workloads. One major consumer goods company used its insight department to measure sales force effectiveness. The results of this study are summarized in Table 8.1.

The table showed the company how a salesperson's time was spent and approximately how much of their time was actually available for selling. One immediate action taken by the company was to initiate a training programme which enabled more time to be spent on selling as a result of better planning. Another was to improve the quality of the sales performance while face-to-face with the customers.

Armed with this kind of quantitative data, it becomes easier to determine how many salespeople are needed and how territories can be equitably allocated.

DETERMINING THE ROLE OF SALESPEOPLE

Whatever the method used to organize the salesperson's day, there is always comparatively little time available for selling. In these circumstances, it is vital that a company should know as precisely as possible what it wants its sales force to do. Sales force objectives can be either quantitative or qualitative.

Quantitative Objectives

Principal quantitative objectives are concerned with the following measures:

- How much to sell (the value of unit sales volume).
- What to sell (the mix of product lines to sell).

		Per cent of day		Minutes per day	
Outside call time	Drive to and from route	15.9		81	
	Drive one route	16.1		83	
	Walk	4.6		24	
	Rest and breaks	6.3		32	
	Pre-call administration	1.4		7	
	Post-call administration	5.3		27	
			49.6		254
Inside call time	Business talks	11.5		60	
	Sell	5.9		30	
	Chat	3.4		17	
	Receipts	1.2		6	
	Miscellaneous	1.1		6	
	Drink	1.7		8	
	Waiting	7.1		36	
			31.9		163
Evening work	Depot work	9.8		50	
	Entering pinks	3.9		20	
	Pre-plan route	4.8		25	
			18.5		95
			100.0		8 h 32 min

Table 8.1: Breakdown of a salesperson's total daily activity.

- Where to sell (the markets and individual customers that will take the company towards its marketing objectives).
- Desired profit contribution (where relevant and where the company is organized to compute this).
- Selling costs (in compensation, expenses, supervision, etc.).

The first three types of objectives are derived directly from the marketing objectives, which are discussed in detail in Chapter 6, and constitute the principal components of the sales plan. There are, of course, many other kinds of quantitative objectives which can be set for the sales force, including the following:

- Number of point-of-sale displays organized.
- Number of letters written to prospects.
- Number of telephone calls to prospects.
- Number of reports turned or not turned in.
- Number of trade meetings held.
- Use of sales aids in presentations.
- Number of service calls made.
- Number of customer complaints.
- Safety record.
- Collections made.
- Training meetings conducted.
- Competitive activity reports.
- General market condition reports.

Salespeople may also be required to fulfil a coordinating role between a team of specialists and the client organization.

A company selling CRM systems, for example, employs a number of 'good general salespeople', each with client-side experience in one of the target sectors, who establish contacts and identify which ones are likely to lead to sales. Before entering into negotiations with any client organization, the company selling the systems may feel that it needs to call in a team of highly specialized business process consultants for consultation and advice. As design work proceeds, technical specialists are also brought in. It is the task of the salesperson in this company to identify when specialist help is needed and to coordinate the people who become involved in the negotiation.

However, most objectives are subservient to the major objectives outlined above, which are associated directly with what is sold and to whom.

Qualitative Objectives

Qualitative objectives can be a potential source of problems if sales managers try to assess the performance of the sales force along dimensions which include abstract terms such as 'loyalty', 'enthusiasm', 'cooperation', and so on, since such terms are difficult to measure objectively. In seeking qualitative measurements of performance, managers often resort to highly subjective interpretations, which cause resentment and frustration among those being assessed.

However, managers can set and measure qualitative objectives which actually relate to the performance of the sales force on the job. It is possible, for example, to assess the skill with which a person applies their product knowledge on the job, or the skill with which they plan their work, or the skill with which they overcome objections during a sale interview. While still qualitative in nature, these measures relate to standards of performance understood and accepted by the sales force.

Given such standards, it is not too difficult for a competent field sales manager to identify deficiencies, to get agreement on them, to coach in skills and techniques, to build attitudes of professionalism, to show how to self-train, to determine which training requirements cannot be tackled in the field, and to evaluate improvements in performance and the effect of any past training.[2]

MARKETING INSIGHT

One consumer goods company with 30 field sales managers discovered that most of them were spending much of the day in their offices engaged in administrative work, most of it self-made. The company proceeded to take the offices away and insisted that the sales managers spend most of their time in the field training their salespeople. To assist them in this task, they trained them in how to appraise and improve salespeople's performance in the field. There was a dramatic increase in sales and, consequently, in the sales managers' own earnings. This rapidly overcame their resentment at losing their offices.

IMPROVING SALES FORCE PRODUCTIVITY

Many salespeople might secretly confess to a proclivity to call more frequently on those large customers who give them a friendly reception and less frequently on those who put obstacles in their way.

If we classify customers according to their friendliness to us, as well as to their size, it is easy to see how a simple matrix can be developed to help us decide where our major effort should be directed. From Figure 8.1, it can be seen that the boxes which offer the greatest potential for increased sales productivity are Boxes 4 and 5, with Boxes 1 and 2 receiving a 'maintenance' call rate. Boxes 7 and 8 should receive an 'alternative strategy' approach to establish whether hostility can be overcome. If these alternative approaches fail, a lower call rate may be appropriate. Box 9 is the 'Don't bother' box, while Boxes 3 and 6 will receive the minimum attention consistent with our goals.

None of this is meant to indicate definitive rules about call frequencies, which will always remain a matter of management judgement. Its sole purpose is to question our assumptions about call frequencies on existing and potential accounts to check that we are not using valuable time which could be more productively used in other directions.

SALES FORCE PROFESSIONALISM

Set against all of this is the issue of the professional standards of sales people. Almost all disciplines have their professional bodies and professional qualifications. In the UK, for example, marketers have CIM, HR has CIPD, purchasing has CIPS, finance has ACA and CIMA; sales, however, does not have its stand-alone Chartered institute. Even worse, very few universities and business schools even bother to teach selling and sales force management. There is, therefore, much improvement still to be made in personal selling.

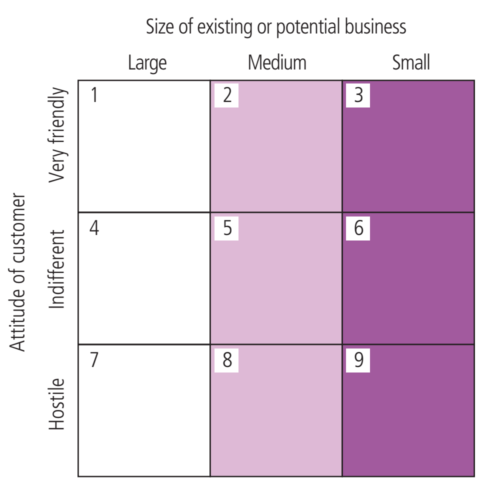

Figure 8.1: Sales productivity matrix.

MANAGING THE SALES FORCE

Sales force motivation has received a great deal of attention in recent times, largely as a result of the work done by psychologists in other fields of management. There is now widespread appreciation of the fact that it is not sufficient merely to give someone a title and an office and expect to get good results.

Effective leadership, it is acknowledged, is as much 'follower-determined' as it is determined by management.

While for the purposes of this discussion it is not necessary to enter into a detailed discussion of sales force motivation, it is worth mentioning briefly some important factors that contribute to effective sales force management.

If a sales manager's job is to improve the performance of the sales force, and if performance is a function of incentives minus disincentives, then the more incentives can be increased and disincentives reduced, the better will be performance.

If performance is a function of incentives minus disincentives, then the more incentives can be increased and disincentives reduced, the better will be performance.

Research has shown that an important element of sales force motivation is a sense of doing a worthwhile job. In other words, desire for praise and recognition, the avoidance of boredom and monotony, the enhancement of self-image, freedom from fear and worry, and the desire to belong to something believed to be worthwhile, all contribute to enhanced performance. One well-known piece of research carried out in the USA examined the reasons for the results of the 20 highest producing sales units in one company compared with the 20 lowest producing sales units. The research showed all the above factors to be major determinants of success.

Emotional Intelligence (EI) is well known as a key determinant of successful leadership.

> 'Having strong emotional intelligence is the single biggest factor to being successful.'
>
> *Tony Rice, CEO Cable and Wireless,*
> *Cranfield forum, March 2013*
>
> 'Develop emotional intelligence to become the kind of leaders that others choose to follow.'
>
> *Dr Jacquie Drake, Director MSc in Strategic Leadership,*
> *Cranfield University School of Management, March 2014*

However, remuneration will always be a most important determinant of motivation. This does not necessarily mean paying the most money, although clearly unless there are significant financial motivations within a company, it is unlikely that people will stay. In drawing up a remuneration plan, which would normally include a basic salary plus some element for special effort, such as bonus or commission, the following objectives should be considered:

- To attract and keep effective salespeople.
- To remain competitive.
- To reward salespeople in accordance with their individual performance.
- To provide a guaranteed income plus an orderly individual growth rate.
- To generate individual sales initiative.
- To encourage teamwork.

- To encourage the performance of essential non-selling tasks.
- To ensure that management can fairly administer and adjust compensation levels as a means of achieving sales objectives.

A central concept of sales force motivation is that individual salespeople will exert more effort if managers encourage them to concentrate on:

1. Their expectations of accomplishing their sales objectives.
2. The personal benefits derived from accomplishing those objectives.

This theory of sales force motivation is known as the path-goal approach because it is based on the particular path the salesperson follows to a particular sales objective and the particular goals associated with successfully travelling down that path. The salesperson estimates the probability of success of travelling down various paths or sales approaches and estimates the probability that their superiors will recognize their goal accomplishments and will reward them accordingly.

> The motivational functions of the sales manager consist of increasing personal pay-offs to salespeople for work-goal attainment, making the path to these pay-offs easier to travel by clarifying it, reducing road blocks and pitfalls, and increasing the opportunities for personal satisfaction en route.

Few people would deny that sales force motivation is a difficult and highly emotive subject, and at the end of the day common sense must prevail. One of the authors once attended a sales conference which opened with girls dancing to the company song. They were followed immediately by a tawdry-looking marketing manager who spent an hour pointing to bar charts on slides. Not surprisingly, few of the sales force present remembered much about the central issues of the conference, while the few saleswomen present were offended!

Another common feature of sales conferences is the use of bellicose language, such as 'our plan is to wipe out the enemy', and so on. The use of such imagery is often in sharp contrast to the day-to-day circumstances of the average salesperson, who gets up on a rainy Monday morning, gets into their small company car, and is rejected on their first call of the week!

A bit of excitement at sales conferences is necessary, of course, but most sales directors and managers would be better occupied providing the sales force with information and tools designed to make the selling task easier, rather than providing entertainment.

HOW TO PREPARE THE SALES PLAN

No two sales plans will contain precisely the same headings. However, some general guidelines can be given. Table 8.2 is an example of setting objectives for an individual salesperson. Clearly, these objectives will be the logical result of breaking down the marketing objectives into actual sales targets.

All companies set themselves overall objectives, which in turn imply the development of specific marketing objectives. In this chapter, we have discussed personal selling in the context of the overall marketing activity. This approach leads us to the following hierarchy of objectives: corporate objectives – marketing objectives – sales objectives, as outlined in Figure 8.2.

The benefits to sales force management of following this approach can be summarized as follows:

1. Coordination of corporate and marketing objectives with actual sales effort.
2. Establishment of a circular relationship between corporate objectives and customer wants.
3. Improvement of sales effectiveness through an understanding of the corporate and marketing implications of sales decisions.

Task	The standard	How to set the standard	How to measure performance	What to look for
1 To achieve personal sales targets	Sales target or period of time for individual groups and/or products	Analysis of territory potential and individual customers' potential; discussion and agreement between salesperson and manager	Comparison of individual salesperson's product sales against targets	Significant shortfall between target and achievement over a meaningful period
2 To sell the required range and quantity to individual customers	Achievement of specified range and quantity of sales to a particular customer or group of customers within an agreed time period	Analysis of individual customer records of potential and present sales; discussion and agreement between manager and salesperson	Scrutiny of individual customer records; observation of selling in the field	Failure to achieve agreed objectives; complacency with range of sales made to individual customers
3 To plan journeys and call frequencies to achieve minimum practicable selling cost	To achieve appropriate call frequency on individual customers; number of live customer calls during a given time period	Analysis of individual customers' potential; analysis of order/call ratios; discussion and agreement between manager and salesperson	Scrutiny of individual customer records; analysis of order/call ratio; examination of call reports	High ratio of calls to an individual customer relative to that customer's yield; shortfall on agreed total number of calls made over an agreed time period
4 To acquire new customers	Number of prospect calls during time period; selling new products to existing customers	Identify total number of potential and actual customers who could produce results; identify opportunity areas for prospecting	Examination of call reports, records of new accounts opened and ratio of existing to potential customers	Shortfall in number of prospect calls from agreed standard; low ratio of existing to potential customers
5 To make a sales approach of the required quality	To exercise the necessary skills and techniques required to achieve the identified objective of each element of the sales approach; continuous use of sales material	Standard to be agreed in discussion between manager and salesperson related to company standards laid down	Regular observations of field selling using a systematic analysis of performance in each stage of the sales approach	Failure to identify objective of each stage of sales approach, to identify specific areas of skill, weakness, to use support material

Table 8.2: Objectives for the individual salesperson (based on the original work of Stephen P. Morse when at Urwick Orr and Partners).

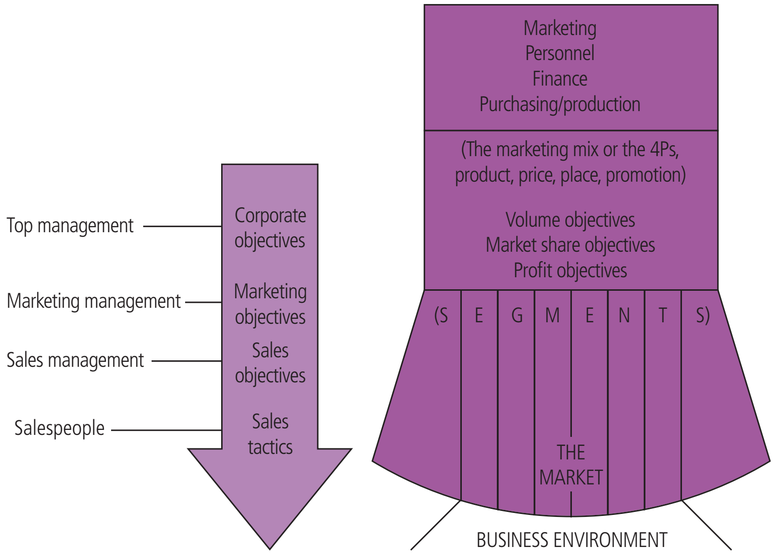

Figure 8.2: The hierarchy of objectives.

> The following example illustrates the main point that a sales force cannot be managed in isolation from broad corporate and marketing objectives. The sales force of a company manufacturing stainless steel containers was selling almost any kind of container to almost anybody who could buy. This caused severe production planning and distribution problems throughout the business, down to the purchase of raw materials. Eventually, the company's profitability was seriously affected. The sales force was finally instructed to concentrate on certain kinds of products and on certain kinds of user industries. This decision eventually led to economies of scale throughout the whole organization.

THE RELATIONSHIP BETWEEN SELLING AND KAM

Figure 8.3 is an important indicator of what has happened during the past 20 years in the domain of marketing and selling.

With the advent of digital, small customers (bottom left) were taken away from the sales force and given to call centres and the Internet. Big, powerful customers (top right) on the other hand, have been placed in a special dedicated function known as 'Key Account Management' (KAM). (In the USA, it is referred to as 'Strategic Account Management'.) The first sections of this chapter were concerned with the mass market represented by the areas in the middle of figure 8.3. The remainder of this chapter is concerned with KAM.

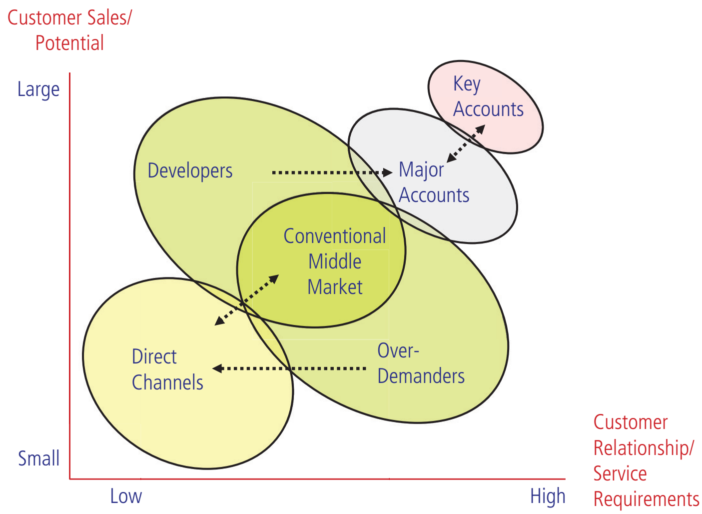

Figure 8.3: The customer portfolio.

HOW TO MANAGE KEY ACCOUNTS

Many firms find that a large proportion of their sales comes from just a small number of customers. These customers have always been treated differently from 'mass' customers, as the opportunities from deepening relationships with them can be very significant, and of course the risk to the business if even one is lost is far greater. So, senior management is often actively involved in these relationships, which are highly attractive for ambitious salespeople.

But the best acquirer of new customers does not necessarily make the best builder of these major relationships, which in any case cannot be simply delegated to a single salesperson, however talented. Many a 'key account manager' seems to be a fish out of water – a salesperson 'promoted' on the basis of their performance in the field in managing a territory or portfolio of smaller accounts and prospects, a very different art. So, KAM is best thought of as quite distinct from traditional field sales. In this section, we will first discuss what it is – what constitutes a key account, as well as what the job of a key account manager is.

We will then discuss how to manage KAM relationships, which vary considerably. At one extreme, what is a key account for the seller may be a minor supplier from the buyer's perspective, with no particular reason for loyalty or a deep relationship. At the other extreme, both parties may work together closely from product development through to the process of selling to the buyer's buyer – as in the case of the engine suppliers in the aerospace industry. These clearly need to be managed in a very different way. In these closer relationships, the buyers will seek to gain the benefits of vertical integration and the advantages of outsourcing simultaneously. They will be seeking to achieve advantages such as competitive pricing, additional expertise and flexibility, and avoid the disadvantages frequently encountered with internal, group suppliers: for example, high fixed cost, lack of flexibility and complacency.

MARKETING INSIGHT

A supplier of stationery products had two key accounts which were large high-street retailers. Account A viewed the supplier as a commodity provider of readily substitutable products. Account B, though, viewed the firm as a key partner in growing its stationery offering. The chief executive put two very different people in charge of these key accounts. Account A was managed by a skilled negotiator with an accountancy background, who organized highly efficient, low-cost delivery and service processes in order to hit a low price point and still maintain a margin. Account B was managed by a former retail executive, who was masterful at recrafting the customer's own category management processes to achieve the retailer's objectives – a service so valuable that the retailer would not have dreamed of delisting the supplier for fear of losing this free consultancy. When a third key account switched to a low-cost transactional strategy like Account A, though, the chief executive decided to forgo this business, to avoid an overreliance on three customers: he needed the power to lose any single customer if he was to maintain his bargaining position on price. In a tough sector, the supplier continues to grow its revenue and profits rapidly.

What is a Key Account?

We begin, then, with some definitions. A key account is a customer in a business-to-business market identified by the selling company as of strategic importance.[3] This definition immediately begs the question of how strategic importance should be defined. In practice, key accounts are effectively defined by the criteria used by selling companies to select them. While these are often implicit, it is far more sensible to have explicit criteria. These should include not just current revenue but also potential revenue, if 'strategic importance' is to mean anything; commonly, a measure of complexity is also included.

> A key account is a business-to-business customer identified by the selling company as of strategic importance.

Many companies still list huge numbers of customers as key accounts. One major IT company claims to have 1,000 key accounts, compared with DHL Worldwide, who at one point claimed to have only 18. When executives genuinely embrace the idea that realization of KAM implies development of rather intense and far-reaching relationships, they recognize the need to ration the number of candidates for this treatment. That recognition drives more rigorous selection, which finally results in a tighter definition of key accounts.

What is KAM?

KAM is the process of allocating and organizing resources to achieve optimal business with a balanced portfolio of identified accounts whose business contributes or could contribute significantly or critically to the achievement of corporate objectives, present or future.[4] There are any number of related terms, such as global account management, which is a specific subset of KAM where the client is not only global but also organizes purchasing globally, at least to some extent.

> KAM is the process of allocating and organizing resources to achieve optimal business with a balanced portfolio of identified accounts whose business contributes or could contribute significantly or critically to the achievement of corporate objectives, present or future.

It is notable that this definition does not mention selling. Indeed, in many cases where the relationship has been in existence for years, if not decades, the customer is already 'sold', and the emphasis has switched to management and development across a broad front. This change of emphasis has important implications in the definition of the role of key account managers.

Note also the word 'balanced'. The reader will recall the directional policy matrix (DPM) discussed in Chapter 5 as a key tool for ensuring a balanced portfolio of product-markets; this tool can also be adapted to plot not product-markets but key accounts, as we will discuss later. However, the important thing is that the company maintains balance across its entire customer portfolio, and not necessarily within its key account portfolio alone.

What is a Key Account Manager?

A key account manager is the person with overall responsibility for the commercial relationship with one or more key accounts. The key account manager typically has to work with many others within the firm to fulfil this responsibility, such as field salespeople responsible for particular countries or product lines, and technical staff involved both in sales processes and in implementation. Whether this coordinating role operates by control or persuasion is an important issue. One study of global account management found that cultural differences are such that it would be dangerous to work on a worldwide control basis, and the role should be one of persuasion and coordination.[5] Whether or not this is ideal, it is often inevitable in complex matrix structures, so an important part of the key account manager's skill set is influencing skills.

> A key account manager is the person with overall responsibility for the commercial relationship with one or more key accounts.

These influencing skills are critical not just in sales processes but also in implementation. In fact, KAM more often fails because of the selling company's organizational problems in delivery of the programme than the buying company's inability to accept it or deliver a satisfactory return to the selling company (although that is common as well).

MARKETING INSIGHT

As an example, Citibank's Global Account Management programme was highly effective with customers, but nevertheless successfully sabotaged by Country Managers; it was eventually revived, though some time later.[6]

It is evident that this coordinating role of KAM has important implications for how the role is remunerated. Selling has always been characterized by reward structures different from any other function in the organization. It has been widely accepted in practice that powerful financial incentives should be offered and directly linked to short-term outcomes, usually sales volume, occasionally margin. On this motivational principle has grown up a whole culture and ethos around salespeople that will not readily be changed, neither in organizations who have trusted to it for decades, nor with salespeople who have operated in this environment for their entire career. But is this appropriate for key accounts, where a large part of the job is about successful implementation, without which the lifetime value of the account could be destroyed overnight? We find that the remuneration framework is a litmus test that sets apart genuine key account managers from salespeople of all seniorities.

MARKETING INSIGHT

A major IT company remunerates key account managers on a mix of global 'share of wallet' and customer satisfaction – measured sometime after each sale. The customers know it, so they know that all in the firm will work hard to ensure successful implementation. Not surprisingly, the company commands a substantial price premium over its competitors.

Having outlined what KAM is, we will now discuss its benefits.

Benefits of KAM

Risk reduction

Clearly there are potential benefits from KAM, or companies would not be energetically engaged in pursuing this approach. Theoretically, the benefits to the selling company are business growth, risk reduction and possibly cost reduction; however, as we will see, there is a danger of uncontrolled cost increase as well. On the buying side, the impetus towards further development of supplier relationships is mainly driven by cost reduction and risk reduction (see Table 8.3 for a list of sources of benefit under each of these two headings), leading to enhanced customer satisfaction and contributing to overall competitive strategy. Benefits can include the possibility of collaboration in real mould-breaking strategies, which challenge the status quo to bypass competition, and which a buying company cannot achieve alone.

Both parties benefit from risk reduction, which must be a major driver in relationship development. 'Internal' risks are of two kinds: short-term crises such as sudden demand or supply gaps, and longer-term uncertainties which complicate planning and result in suboptimal use of resources. External risks are those originating in the market, or originating outside the market and acting through it, as in the case of government legislation, for example. A collaborative relationship has the potential to reduce external risk for both parties through market information sharing, greater flexibility in response, and leveraging market influence.

Risk reduction	**Cost reduction**
Sharing of assets (lower breakeven costs)	Reduced production costs
Sharing of information, informally and formally	Reduced transaction costs better information/ reduced uncertainty routinized transactions
Increased flexibility versus vertical Integration	
Volume commitments Future orientation with joint planning	

Table 8.3: Types of risk reduction and cost reduction for buying companies originating from partnership with selling company.

Source: Ellram, 1991.[7]

Financial drivers for selling companies

Building and maintaining relationships at a sophisticated level has considerable costs – a good reason to be highly selective in determining what constitute key accounts. Nevertheless, selling companies expect the direct financial benefit to outweigh the relationship costs. However, although key accounts have the potential to deliver the greatest profit, they also have the potential to generate the greatest losses. It is often a company's largest two or three customers that lose money when costs are fully attributed to them. Good, appropriate information systems and the will to use them, plus careful management, are needed in order to ensure financial benefits from key accounts. Loss situations often arise when the buyer has negotiated a price based on the cost of goods sold, but is enjoying excess value in terms of a range of additional, uncosted services. One of the major dangers in developing sophisticated relationships through KAM is the escalation of costs absorbed by and in the relationship.

There is an additional danger that sophisticated and close relationships are seen as the only formula in KAM. In fact, there are many cases of customers who should still qualify as key accounts, but who should be managed in an efficient, transactional manner. They may not want to develop the relationship further, or the business may not be able to repay investment in it. Analysis of each key account should focus on the incremental benefit of investing in development beyond its current status.

Nonetheless, ongoing research at Cranfield School of Management's KAM Research Club clearly indicates that this whole area is in need of further study, as they observed many companies losing substantial sums of money in their dealings with large customers. Lynette Ryals[8] (2005) has shown that this is because a majority of companies do not use activity-based costing systems and consequently do not attribute major costs appropriately.

The data presented in Figure 8.4 are the result of a Cranfield survey of directors and senior managers on conferences and courses using an automated response system in order to elicit unbiased responses to a question about KAM profitability, having explained the principle of activity-based costing. In all, 500 respondents were surveyed over a five-year period ('t – 4' to 't0' in the figure), and while we do not claim that the sample is representative, the survey nevertheless provides indicative evidence that companies may still be losing money on their dealings with their top key accounts.

Cost savings for buying companies

There are 'legitimate' or mutually beneficial cost savings available to buying companies which are preferable to driving suppliers' profits below adequate levels. Better management of the flow of supplies, elimination of unnecessary or duplicated processes and tighter quality control all reduce cost.

UK retailer Marks & Spencer is an example which predated by decades the formulation of the concept of supply chain management.

In addition to savings in current operational costs, savings through collaborative product development and R&D cost sharing are a very significant source of advantage, particularly to companies with high investment in development, long development cycles or markets with short product lifecycles. The buying company benefits from supplier expertise, leading to better and more cost-effective design, while the selling company can beta-test new products or services in real life on a larger scale than their own facilities permit.

There are potential dangers attached to close relationships for buying companies as well. The range of pitfalls may be grouped around two issues: cost increase (from duplication of effort, and/or from the substitution of cash for activity, by giving the supplier the opportunity to add

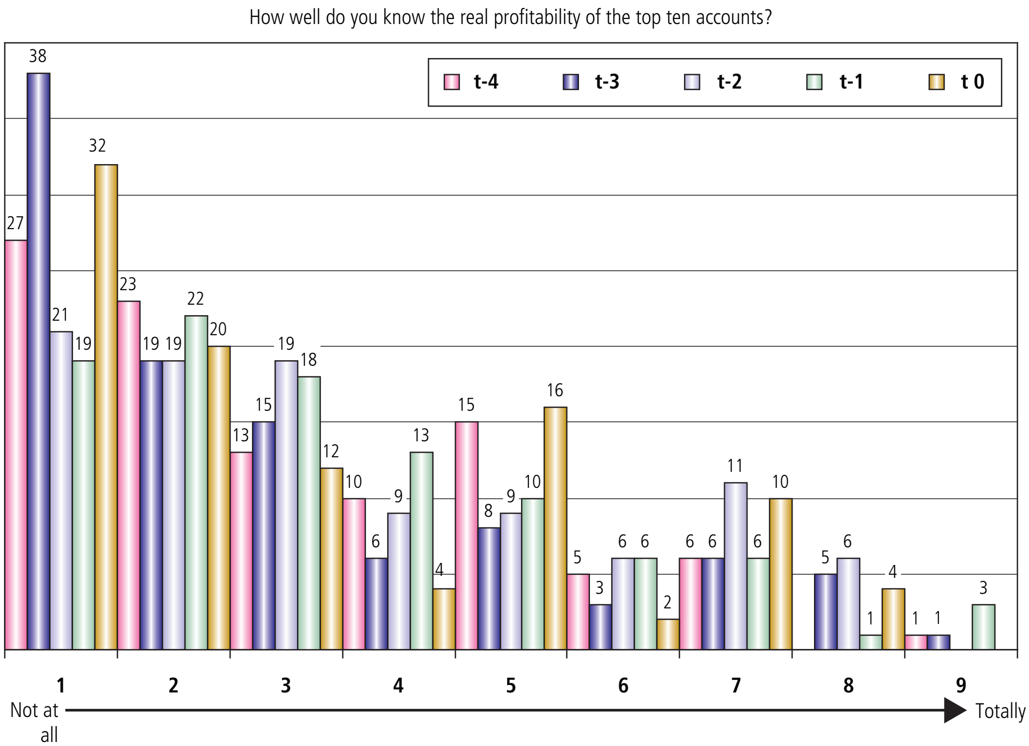

Figure 8.4: The profitability of key accounts is still poorly understood.

some of the value that the buying company could have fulfilled itself); and concerns over control and dependence. Paradoxically, concerns about the negative aspect of dependence may be seen as an outcome derived from positive, ongoing relationship benefits, when considered together with the issue of termination costs.

All these fears are paralleled by selling companies, except that concern about price/margin erosion replaces concern about cost increase. The issue of dependence may be slightly different, but is very real if the relationship has reached a large proportion of the selling company's turnover. For both parties, then, it is important to be very clear about the strategic rationale before deepening the relationship. The relationship metaphor is an opposite one: key account relationships typically last a good deal longer than the average marriage.

However, we have observed more than once that key account relationships are not all the same, and nor should they be. We will next make this crucial idea more actionable by outlining a simple typology of stages in KAM relationship development.

The Stages of KAM Relationship Development

Research into KAM by a number of academics shows that KAM relationships vary from highly transactional, arms-length relationships at one extreme to thoroughly integrated companies at the other. It is useful to think of KAM relationship development as proceeding through a series of stages from one to the other, though we should raise two important warnings. The first is that any stage model is an approximation. Individual firms may clearly be between stages. The second is that it should not be assumed that all KAM relationships should evolve towards the more relational, integrated end of the spectrum. Not least, if there is no desire for close relationship on the buyer's side, it is delusional and seriously expensive for the supplier to invest heavily in the relationship. Although some relationships do move steadily through these stages, others do not.

With those warnings, Figure 8.5 outlines some of the common steps which relationships move through. (This model was originally developed by Millman and Wilson;[9] their original names for each stage are shown in the figure in italics. The model was researched further by McDonald, Millman and Rogers.[10] For some recent empirical evidence and suggested refinements, see Davies and Ryals.[11]) We will describe each stage in turn.

Exploratory KAM

This stage precedes KAM of any kind, but implies that the potential importance of the relationship will qualify the buying company to be a key account if business is secured. At this stage the selling company will be courting the buying company and exploring its needs, which of them they are required to fulfil and the size of the opportunity, as well as generally getting a feel for the organization, the people who are influential in the buying decision, their personalities and their modus operandi. At the same time, the buying company will be exploring the supplier's offer, capabilities and credentials, quite possibly with more than one supplier simultaneously. See Figure 8.6.

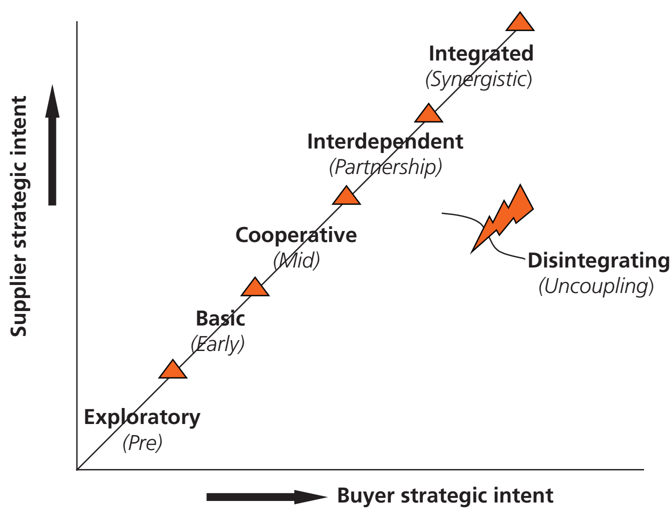

Figure 8.5: KAM relationship stages.

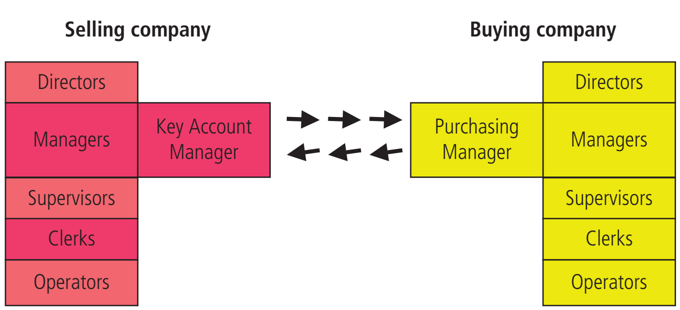

Figure 8.6: Exploratory KAM relationship.

Basic KAM

This stage implies a relationship with a transactional emphasis. If it is a new relationship, then it may be effectively a trial time, during which the selling company has to prove its ability to deliver its offer in an efficient manner. Buyers will obviously prefer to develop business further with suppliers who have demonstrated that they can live up to minimum operational requirements. However, trial experience of each other may not always be possible, for example, major contracts. At this stage, the buying company may also use other suppliers of the same product or service, but not necessarily: multiple sourcing may not suit the need.

Even if the relationship is successful at this level, it may still not be appropriate to develop it for a number of good reasons, for example:

- There may be changes pending in the environment in terms of legislation, technology, market, company ownership, etc., which limit the length of life of the relationship, so that investment in relationship building is unlikely to pay back.
- The buying company may be low-cost focused and unresponsive to added value.
- The buying company may be known for supplier switching.
- In summary, the overall lifetime value of the relationship is not expected to repay investment in the relationship in terms of time, adaptation, etc.

At this stage, most contact will be one-to-one through the key account manager and the purchasing director or manager, as shown in Figure 8.7.

Cooperative KAM

At this stage the buying company will have been able to satisfy itself about the selling company's credentials through its own experience after a period at basic KAM level. If performance is acceptable, the selling company may then be able to work more closely with the buying company and develop the relationship. Opportunities to add value to the customer will be suggested by the supplier, and the buyer will adopt a positive and communicative attitude towards the supplier, perhaps in terms of indicating further opportunities to do business together, or helping the supplier to solve some of the operational problems which arise. If the customer uses a list of preferred suppliers, the selling company will be on it.

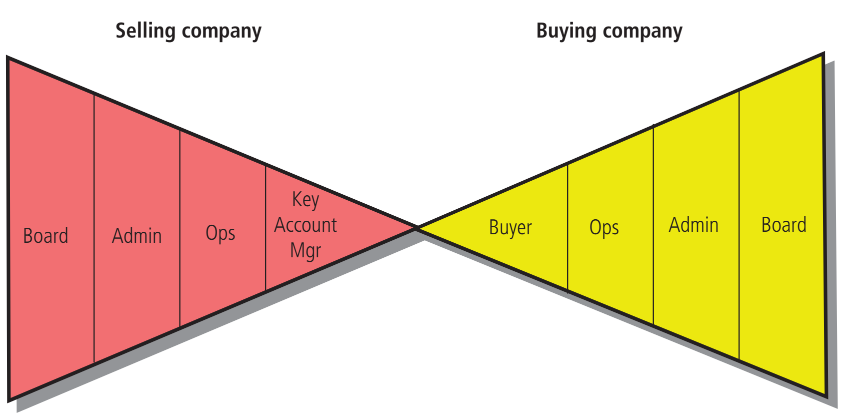

Figure 8.7: Basic KAM relationship.

At this stage, contact involves a wider range of people, as illustrated in Figure 8.8. It is often at this stage that the real potential to progress the relationship from cooperative to interdependent is either grasped or not by the supplying company as, by definition, the relationship is already more complicated than at the basic stage.

Interdependent KAM

At this stage, both buying and selling company acknowledge the importance of each to the other. They are locked into each other, not inextricably, but if the relationship were to end, retreat would be difficult and time-consuming. Inertia, as well as strategic suitability, holds the partners together. They may have set up various initiatives together, like common working practices, product specifications, joint marketing activity, and so on, which would take time and effort to undo.

Even if multiple sourcing is possible in theory, in fact the selling company has become sole or at least first option supplier. A range of functions in both organizations work closely together, orchestrated by rather than administered by or channelled through the key account manager and purchasing manager; see Figure 8.9.

One consequence of this kind of relationship is the high probability of the supplying company over-serving the customer. This stage of relationship frequently results in a loss to the supply company.

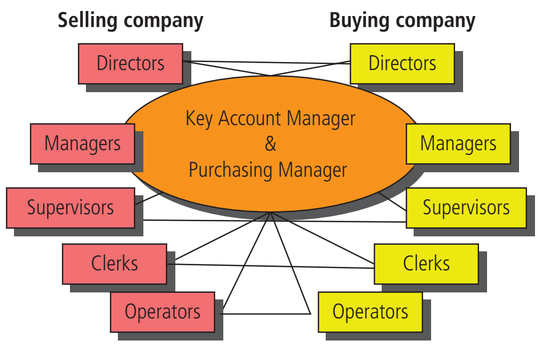

Figure 8.8: Cooperative KAM relationship.

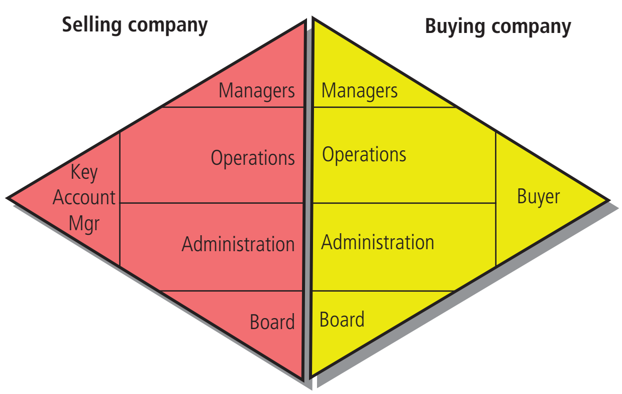

Figure 8.9: Interdependent KAM relationship.

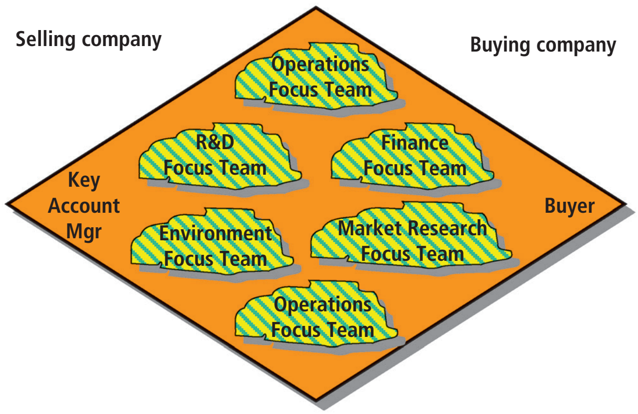

Figure 8.10: Integrated KAM relationship.

Integrated KAM

This type of relationship involves working together in cross-boundary functional or project teams – see Figure 8.10. This means that the organizations become so integrated that individuals may feel more affinity with their team than with their official employer organization. The teams run the business, rather than either organization, and they make decisions about their interactions with other teams according to the strategy they are implementing. Some staff will probably be based at their partner's premises. At this stage, exit would be traumatic at both a personal and organizational level.

Disintegrating KAM

Finally, at any time, the relationship can fall apart for a number of reasons, such as a takeover of either company, a change of key people, switching to a new supplier with a sufficiently significant enhancement in the core product or service to justify the pain of switching, or the introduction of new technology. Disintegration can be sudden and exit complete, or it may be a return to a lower level of relationship at which the companies can continue to do business together, but on different terms. In any case, disintegrating KAM is not a stable state, as any of the others can be, but a transitional stage before the relationship settles down into another stage, and possibly no relationship at all. The key account manager's role may change to damage limitation, and a business developer may not be the right kind of person to fulfil this need.

In summary, then, within the sales plan it is important to be very clear for each key account on:

1. What stage the relationship is currently at.
2. What a realistic target stage is, given the buyer's aspirations and the cost/benefit trade-off of deepening the relationship.
3. What actions are needed for developing the relationship and, crucially, what kind of person is best to manage a relationship of this type.

It is also clear that key accounts need to be managed as a portfolio, reflecting their differing attractiveness and the company's different strengths of relationship. We will return to this issue in the next section on preparing the sales plan. First, however, we consider aspects of the sales plan which apply to all accounts, major or minor.

In the case of key accounts, we have the additional challenge of managing the set of accounts as a portfolio. This is particularly important if limited resources are to be used on the right accounts to achieve the right objectives. If the firm has key accounts, then, a key account portfolio should be included in the plan. We discuss how this is to be done next.

PLANNING FOR A KEY ACCOUNT PORTFOLIO

Portfolio analysis is simply a means of assessing a number of different key accounts, first, according to the potential of each in terms of achieving the organization's objectives and, second, according to the organization's capability for taking advantage of the opportunities identified.

Key account portfolio analysis is essentially an adapted version of the DPM, which we described in Chapter 5, but plotting key accounts rather than markets or segments. It uses several indicators in measuring the dimensions of 'account attractiveness' on the one hand and 'company capabilities' (relative to competitors) on the other. These indicators can be altered by management to suit the operating conditions of particular industrial sectors. The outcome of using portfolio analysis is the diagnosis of an organization's situation and strategy options relative to its position with respect to these two composite dimensions.

The purpose of the following guidelines is to obtain the maximum value out of this methodology.

Key Definitions

We begin with two key definitions.

Key account attractiveness is a measure of the potential of the key account for yielding growth in sales and profits.

Business strength/position is a measure of an organization's actual strengths in each key account.

Key account attractiveness is a measure of the potential of the key account for yielding growth in sales and profits. It is important to stress that this should be an objective assessment of key account attractiveness using data external to the organization. The criteria themselves will, of course, be determined by the organization carrying out the exercise and will be relevant to the objectives the organization is trying to achieve.

Business strength/position is a measure of an organization's actual strengths in each key account. In other words it is the degree to which it can take advantage of a key account opportunity. Thus, it is an objective assessment of an organization's ability to satisfy key account needs relative to competitors.

Preparation

Prior to commencing portfolio analysis, the following preparation is advised:

1. Data/information profiles should be available for all key accounts to be scored.
2. Define the time period being scored. A period of three years is recommended.
3. Ensure sufficient data are available to score the factors. (Where no data are available, this is not a problem as long as a sensible approximation can be made for the factors.)
4. Ensure up-to-date sales forecasts are available for all products/services plus any new products/services.

In order to improve the quality of scoring, it is recommended that a group of people from a number of different functions take part, as this encourages the challenging of traditional views through discussion.

Twelve Steps to Producing the KAM Portfolio

Step 1 Define the key accounts which are to be used during the analysis
Step 2 Define the criteria for key account attractiveness
Step 3 Allocate weights to each of the attractiveness factors
Step 4 Define scoring criteria for each attractiveness factor
Step 5 Score the relevant key accounts out of 10 on the attractiveness factors and multiply the scores by the weights to achieve a total weighted score
Step 6 Define the critical success factors (from the customer's point of view) for each key account and the weight for each
Step 7 Score your organization's performance out of 10 on each critical success factor relative to competitors
Step 8 Produce the position of key accounts on the horizontal axis in the portfolio
Step 9 Position the key accounts on the box assuming no change to current policies. That is to say a forecast should be made of the future position of the key accounts (this step is optional)
Step 10 Redraw the portfolio to position the key accounts where the organization wants them to be in, say, three years' time. That is to say the objectives they wish to achieve for each key account
Step 11 Set out the strategies to be implemented to achieve the objectives
Step 12 Check the financial outcomes resulting from the strategies.

Let us now consider each step in turn.

Step 1: List the population of key accounts which you intend to include in the matrix

As stated earlier in this chapter, the list can include key accounts with which you have no business yet or accounts that are currently small or entrepreneurial, but which have the potential to become big. To do this, it is suggested that a preliminary categorization be done according to size or potential size. Thus, if there were, say, 100 key accounts, the preliminary categorization might resemble Figure 8.11.

It is important not to use the methodology which follows on all 100 accounts at once, as the criteria for each group may need to be different. The methodology should, in the example shown, be carried out as three separate exercises: A, B and C.

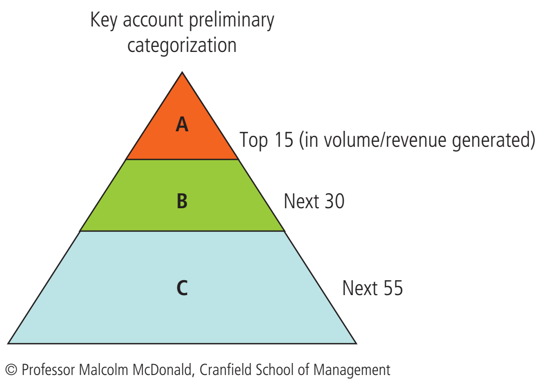

Figure 8.11: Example of an outcome of preliminary categorization.

Step 2: Define key account attractiveness factors

All key accounts may be attractive by definition, but with limited resources (such as people), it is important to compare their relative attractiveness to the firm. Key account attractiveness is a combination of a number of factors which can usually be summarized under three headings: growth rate, accessible volume or value, and profit potential.

1. *Growth* – the average annual growth rate of revenue spent on the relevant goods or services by that key account. So, this is the growth rate in the accessible spend of the customer, or 'wallet', of which we are competing for a share. All other things being equal, customers who are spending more on the product category are more attractive as there is more new business to chase.
2. *Accessible volume or value* – an attractive key account is not only large, it can also be accessed.

   One way of calculating this is to estimate the total spend of the key account on the relevant category of goods or services, less revenue which is impossible to access, regardless of investment made. Alternatively, the total spend can be used, which is the most frequent method as it does not involve any managerial judgement to be made, which could distort the truth. *The former method is the preferred method.*

Accessible volume or value is the total spend of the key account less revenue impossible to access, regardless of investment made.

Profit potential is the margins available to any competitor.

3. *Profit potential* – intuitively, it is clear that some key accounts offer the potential for large profits, while in the case of others, it is clear that margins will always be low. It is, however, difficult to estimate with any certainty, particularly as we are interested in the potential profit and not our current margins, which may, for example, below due to our current investment in establishing our position with the customer. One way of assessing the profit potential is to make an estimate of the margins available to any competitor. Another is to estimate the margins achieved by the leading competitor that is, the competitor who currently has the greatest share of wallet with this customer. (Margin should be used rather than total profit pool, in order to avoid double counting with accessible volume/value.)
4. *Soft factors* – naturally, growth, size and profit will not encapsulate the requirements of all organizations in what makes key accounts more or less attractive to them. It is then possible to add another heading, such as 'soft factors', 'risk' or 'other' to the aforementioned three factors (growth rate, accessible volume/value and profit potential).

The following are the factors most frequently used to determine account attractiveness:

- status/reference value
- learning from customer (e.g. customer has market-leading engineering, service design, etc., from which we can learn)
- 'focal' company in a network
- regular flow of work – stability
- strategy match
- prompt payment
- customers who see value in a broad product offering
- ease of doing business
- importance to a sister company
- requirement for strategic alliances
- willingness to abdicate (customer hands over total responsibility)
- blue-chip customer capable of meeting your financial security requirements (e.g. top 100 company).

We find, though, that it is best to keep the total list of factors to five or less, otherwise the calculations become cumbersome and the overall logic becomes less clear.

In addition, once agreed, under no circumstances should key account attractiveness factors be changed, otherwise the attractiveness of your key accounts is not being evaluated against common criteria and the matrix becomes meaningless. However, the scores will be specific to each key account.

It is also important to list the key accounts that you intend to apply the criteria to before deciding on the criteria themselves, since the purpose of the vertical axis is to discriminate between more and less attractive key accounts. The criteria themselves must be specific to the population of key accounts and must not be changed for different key accounts in the same population.

> One global chemical company went through the total KAM selection protocol, then went to the customer, who said 'No thanks, we prefer to treat you as a supplier of commodities and we expect a lower price accordingly'. Thereafter, this company included in the protocol a highly weighted factor of 'The customer's willingness to be a key account'.

Step 3: Allocate weights to each of the attractiveness factors

The factors should now be weighted out of 100, to indicate their relative importance to the firm in comparing the attractiveness of key accounts. For example:

Factors	*Weight*
Growth rate	30
Accessible volume or value	15
Profit potential	40
Reference value	15
	100

These weights will reflect the priorities of the firm. So, for example, a firm with a single factory running to full capacity might wish to weight margins more highly than accessible volume/value and growth, with perhaps 40 per cent for margins, 20 per cent for volume/value and growth, and 20 per cent for other soft factors. Conversely, a firm with aspirations to be global market leader developing its plan for a relatively new country might wish to weight volume/value and growth higher – at, say, 40 per cent each – and margins/profit relatively low – at, say, 20 per cent.

Step 4: Define scoring criteria for each attractiveness factor

In the next step, each key account will be scored on each attractiveness factor out of 10. In this step, the criteria by which this will be done are defined. See Table 8.4.

Step 5: Score each key account

Score each key account on a scale of 1–10 against the attractiveness factors and multiply the score by the weight. This will place each key account in the key account attractiveness axis from low to high. This process is very similar to the comparison of market/segment attractiveness described in Chapter 5, which contains some examples, such as Table 5.3.

KA attractiveness factors	10-7	6-4	3-0	X weight
Volume/value	>10m	1-10m	<1m	15
Growth/potential %	>20%	5-20%	<5%	30
Profit potential %	>25%	10%-25%	<10%	40
'Soft' factors	Good	Medium	Poor	15
				100

Table 8.4: Key account attractiveness factors – weights and scoring criteria.

Step 6: Define business strength/position

This is a measure of an organization's actual strengths in each key account. Whereas we had one set of key account attractiveness criteria, for this analysis each key account will need a different set of criteria for assessing the firm's strengths, as customers differ in what they look for from suppliers. We call these criteria 'critical success factors' (CSFs). For each account, therefore, in consultation with those close to the customer, it is necessary to list the few things which are most influential in determining the share of the customer's wallet in the product/service category. These will often fall under the four headings of:

- product requirements
- service requirements
- price requirements
- relationship requirements.

These should be weighted out of 100 to indicate the relative importance of the factors in the eyes of the customer. What does the customer insist on? What might the customer compromise on? This process is very similar to the CSF analysis for whole segments which was described in Chapter 5, which contains some examples, such as Table 5.4.

Step 7: Score CSFs

Score the organization's actual current strengths in each key account on each CSF. These should be scored from the customer's perspective: if they think your service is unreliable, it's unreliable! By multiplying scores by weights, an overall weighted average score can be calculated for each key account. By also scoring the leading competitor, a relative score can be calculated, by subtracting the leading competitor's score from your score. Again see Table 5.4 for an example.

An alternative, easy way of doing steps 6 and 7 is simply to decide what stage the relationship is currently at, from basic to integrated, in order to find the position on the horizontal axis in step 8:

1. *Exploratory* (you do not currently do business with this account).
2. *Basic* (you have some transactional business with this account).
3. *Cooperative* (you have regular business with this account and may well be a preferred supplier, but you are only one of many suppliers and pricing is still important).
4. *Interdependent* (you have multifunctional, multilevel relationships, but the customer could still exit if necessary).
5. *Integrated* (you have multifunctional, multilevel relationships, your systems are interlinked and exit for both parties would be difficult).

This simplified method is useful for gaining an overview of the portfolio when time is short, but the full CSF analysis is important for developing detailed strategies for each account.

Step 8: Produce the portfolio matrix

Now a matrix can be plotted as illustrated by Figure 8.12:

- The circle size is proportional to the firm's current revenue from the key account. A cross can be used in the case of an account that has been identified as key to the future but where revenue is currently negligible.
- The vertical position is determined by the attractiveness analysis (step 5). Note: it is sensible to spread out the circles, as what matters is their relative attractiveness. So if the least attractive account, for example, is scored at 5.8 out of 10, and the most attractive at 7.5 out of 10, it might make sense to put 5 at the bottom of the vertical axis and at 8 at the top.
- The horizontal position is determined by the CSF analysis (step 7). So, for example, if we score 7/10 and the leading competitor scores the same, our relative score is 0 and the circle would appear on the mid-line. If we score 7/10 and the leading competitor scores 6/10, our relative score is +1, so the circle would appear to the left of the line. If we score 7/10 and the leading competitor scores 8/10, our relative score is –1 and we would appear to the right of the line. Generally, it works well to label this axis from +2 at the left to –2 at the right.

Figure 8.13 provides some further guidance as to how each quadrant should be treated; but this guidance should always be subject to management judgement. It is, however, a good prompt for a senior management conversation.

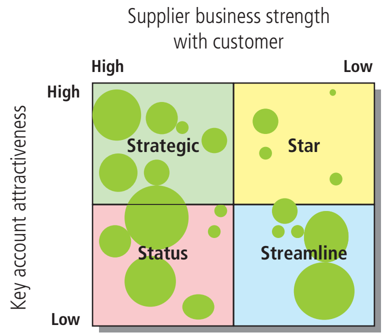

Figure 8.12: The key account portfolio.

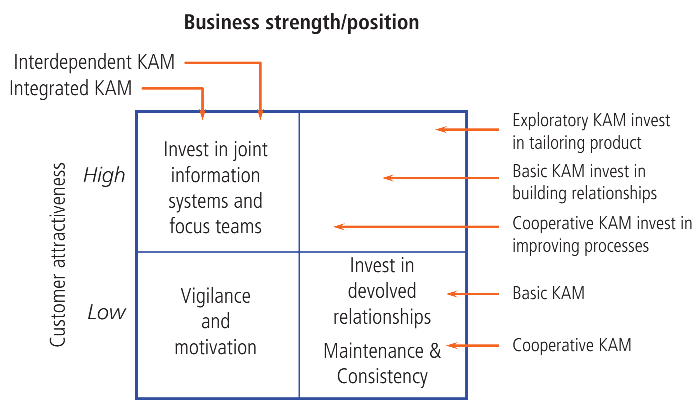

Figure 8.13: Further guidance on key account matrix.

Figure 8.14: Key account matrix – insurance example.

Figure 8.14 is a real example from an insurance company, with the figures disguised to protect anonymity.

Step 9: Produce a forecast matrix (optional)

This optional further analysis should position the key accounts on the horizontal axis where they are projected to be three years from now, assuming no change to your current policies. This is calculated by re-scoring your competitors on the CSFs (step 7), while leaving your scores the same (or perhaps adjusting them to reflect improvements which are already thoroughly in hand). The key accounts can only move horizontally, either to the left or to the right, because you have already taken account of potential future growth on the vertical axis.

Now enter a new figure for your forecast sales for each account, assuming no change in your current polices. This should take into account your new position on the horizontal axis: if with no change in policies you are to the right of the mid-line, for example, it is likely that much of the new business will go to the competition.

The first time you complete this analysis, it is unlikely that the forecast position will be satisfactory.

Step 10: Produce a matrix showing the objective position

This analysis should position each key account on the horizontal axis showing the objective position at the end of the planning period (e.g. three years ahead). This is done by revisiting the CSF scores, amending our score but also remembering (if step 9 has been omitted) to take into account any changes which we predict the competitors will be making. As a result of this analysis, accounts can stay in their current box, move to the right or move to the left.

Enter a new figure for your objectives sales against each key account. A judgement will need to be made as to what is realistic given the analysis of the customer's buying criteria or CSFs.

It goes without saying that the objectives should reflect the relative positions on the matrix. It is simply not realistic to state that we will make dramatic improvements in every single key account – and yet the authors often see plans which claim that this will occur. Needless to say, the competitors' plans say the same thing! The benefit of the portfolio analysis is that it enables us to look for the greatest gains in the most attractive accounts, and within these to focus on the criteria which really matter to the customer.

Step 11: Outline objectives and strategies for each key account

Finally, a strategic plan for each key account should be produced. It should outline the objectives and strategies for each one.

Table 8.5 sets out more specific guidelines for setting objectives for each of the key accounts in each of the four boxes.

Category	Description
Strategic customers	Very important customers, but the relationship has developed still further, to the level of partnership. The relationship is 'win–win'; both sides have recognized the benefits they gain from working together. Customers buy not primarily on price but on the added value derived from being in partnership with the supplier. The range of contacts is very broad and joint plans for the future are in place. Products and services are developed side by side with the customer. Because of their large size and the level of resource which they absorb, only a few customers fall into this category.
Status customers	Very important customers (in terms of value). Commit to security of supply and offer products and services which are tailored to the customer's particular needs. Price is less important in the customer's choice of supplier. Both parties have some goals in common. The two organizations have made some form of commitment to each other. Invest as necessary in these customers in order to continue the business relationship for mutual advantage, but do not over invest.
Star customers	Price is still a major factor in the decision to buy but security of supply is very important and so is service. Spend more time with some of these customers and aim to develop a deeper relationship with them in time.
Streamline customers	These customers usually want a standard product, 'off the shelf'. Price is the key factor in their decision to buy. The relationship is helpful and professional, but relatively transactional. Do not invest large amounts of time in the business relationship at this stage.

Table 8.5: Guidelines for the KAM portfolio.

It will be observed that each box has a 'label'. These labels can be changed but should NOT be changed to derogatory names such as 'Gold', 'Silver', 'Bronze', 'A', 'B', 'C', 'D', and so on!

Step 12: Check the financial outcomes from the strategies

Cost out the actions which comprise the stated strategies in all boxes other than the bottom right hand box. There may be circumstances for those in which a strategic plan should be produced for some of them, but generally speaking, forecasts and budgets should be sufficient, as it is unlikely that the supplying company will ever trade on terms other than low prices.

For an explanation, see the mini case study below.

MINI CASE STUDY

Look again at Figure 8.12. Please pay particular attention to large key account circle in the bottom right hand box. The authors were doing some consultancy for a global paper company.

A main board director was bemoaning the fact that one of the world's biggest media companies – hence a massive user of paper – was putting its paper order out to tender and was determined to accept the two lowest price bids. It was then to drop all other suppliers. The authors quickly established that to lose such a big customer would be a blow to profitability, as all its mill fixed costs would remain the same, and would have little chance of being fully utilized without this customer.

So the authors advised the paper company to bid the lowest price in order to win the contract, then to withdraw all support other than that specified in the contract. In this case, clearly, sending a key account manager on regular visits and offering other services would have been a waste of resources, as it was clear that this particular customer didn't want a close relationship with any supplier and was obsessed with lowest price, so making it virtually impossible for any supplier to make much profit.

Meanwhile a plan was put together to build other accounts in order to reduce the reliance on this one, so that never again would the company be held to ransom from a customer which it could not afford to lose.

It is accounts such as these, usually in the bottom right hand box, which are unattractive and driven by price alone that do not justify strategic key account plans. Such plans are only justified if the supplying company believes there is a real opportunity to move them to a more favourable position in the portfolios.

THE GROWING IMPORTANCE OF KAM

Such is the importance of key accounts for corporate profitability, that many multinationals are now making their most senior key account managers into managing directors of a particular key account. This is not surprising as in the major distribution company their top 13 accounts each made more revenue and profit than any county managing director.

Conclusions

To summarize, the sales force is a vital but very expensive element of the marketing mix and as much care should be devoted to its management as to any other area of marketing management. This is most likely to be achieved if intuitive sense, which is associated with experience, can be combined with the kind of logical framework of thinking outlined here.

Key account plans need particular attention. Research at Cranfield and elsewhere has shown that it is those organizations that invest resources in detailed analysis of the needs and processes of their key accounts, select and categorize their key accounts correctly, which fare much better in building long-term profitable relationships. Armed with a detailed knowledge of their customer's business, it is more likely that they can discover ways of helping the customer create advantage in their marketplace and build these findings into a strategic key account plan, which will be signed off by both the supplying company and the customer.

CHAPTER 8 REVIEW

What is the role of personal selling?

This provides the face-to-face element of the communications mix. There are things it can achieve that advertising and promotion can't, for example, salespeople can be flexible in front of the customer and ask for an order. However, personal selling has to be seen in the context of the total communications mix.

Try Exercise 8.1

How important is personal selling?

Traditionally, companies had sales forces long before marketing was in vogue. Many companies still spend more on sales forces than on advertising and promotion combined. Though key parts of the marketing mix, sales departments often act independently of marketing. Thus, in achieving their short-term sales goals, they sometimes fail to achieve the mix of products and markets consistent with the longer-term strategic marketing objectives.

How many salespeople should you have?

Basically salespeople have three activities. They:

- make calls
- travel
- administer.

Their workload should be analysed to establish how many calls it is possible to make in a typical working day. Equally, an assessment of existing and potential customers should be made and the annual total number of calls calculated (bearing in mind that different customer categories need different call rates).

What should they do?

Achieve objectives consistent with the marketing plan in terms of:

- how much to sell (volume)
- what to sell (mix)

- where to sell (market segments)
- allowable costs
- profit margins.

There can be many other types of sub- or enabling objectives, for example:

- number of telephone contacts
- number of calls made
- use of sales aids
- number of reports submitted
- safety record, etc.

Try Exercise 8.2

How are they managed?

To maximize performance, get the optimal balance between incentives and disincentives. Incentives are:

- rewards consistent with performance
- giving praise and recognition where it is due
- minimal boredom and monotony
- freedom from fear and worry
- feeling of belonging
- sense of doing a useful job.

'There are no bad salespeople, only bad sales managers.'

Try Exercise 8.3

How should key accounts be managed?

A key account is a customer identified by the selling company as of strategic importance. Future potential should, therefore, be carefully considered in identifying key accounts. Do not have too many key accounts: each will require significant investment.

Key accounts need a key account manager to take overall responsibility for the commercial relationship. Important skills for this role include influencing skills and project management, as a large part of the role involves internal persuasion and coordination across numerous people involved in sales and implementation. Remuneration schemes should reflect the importance of customer satisfaction in development of these key relationships.

Key accounts will need managing in very different ways according to the stage of relationship development. These stages are:

1. Exploratory.
2. Basic.
3. Cooperative.
4. Interdependent.
5. Integrated.
6. Disintegrating.

A key account portfolio matrix is invaluable in planning for key accounts. Try developing a matrix, following the 12 steps of the section 'Planning for a key account portfolio' above.

Questions raised for the company

1. Q: Should sales or marketing be responsible for the sales plan?
   A: Marketing objectives should be agreed first. Then, if there is a separate sales force, sales managers can devise a tactical plan to meet the objectives.
2. Q: Salespeople are sometimes described as notoriously reactive and optimistic. Can they be expected to conform to a sales plan?
   A: Salespeople such as the ones described here are perhaps the salespeople you don't need. The sales plan is designed to make best use of a scarce and expensive resource, a wholly admirable objective. It must not be undermined.
3. Q: Suppose the sales plan requires salespeople to play a different role. Can old dogs be taught new tricks?
   A: Whenever change is introduced, there are often some casualties. However, with well-designed training and sensitive management, the problem is not insurmountable.
4. Q: We've implemented KAM. That is, we've labelled our major 50 customers as key accounts and retitled some salespeople as key account managers. Is that it?
   A: Well, that's a good way to hand market share to your competitors. Key accounts expect close relationships, proactive identification of customer needs, creative problem solving and going the extra mile to look after the customer's interests. This requires consultative skills and significant investment, which should only be made for very selective customers.

APPLICATION QUESTIONS

1. What are the key functions of salespeople in your organization? How is their work coordinated?
2. How is the sales force deployed: by geographical territory; by product range; by type of customer? Is this deployment optimal? What other patterns of deployment should be considered by your organization?
3. Who is responsible for the sales force in your organization? What is the relationship between this post of responsibility and other marketing responsibilities in the organization? Does this cause any problems? Where problems arise, how could they be solved?
4. Can you make a case to justify the present size and type of sales force used? Could you defend your position if you were requested to cut back the sales force by 30 per cent? How would you make your case? What do you believe would be the consequences of a 30 per cent cutback in the sales force?
5. How is your own organization's sales force used? Is this the best possible use of the sales force? In what ways do activities of the sales force complement other forms of marketing communications used? Identify any other ways in which you feel the activities of the sales force could enhance the total marketing communications effort.
6. Critically appraise your company's sales plan. Does it flow naturally from the company's marketing objectives?
7. Have you identified key accounts taking into account future potential and not just today's revenue?
8. Have you identified key account managers with the requisite influencing and implementation skills?
9. Do you manage key accounts differentially according to their stage of relationship development? Are there any key accounts where you delude yourselves that a close relationship is possible when the customer has every intention of behaving transactionally?
10. Do you allocate resources (such as your best key account managers) to key accounts differentially, taking into account the position of each account in the portfolio?

EXERCISES

While it is quite possible that some companies will not use advertising and sales promotion, very few fail to have some element of face-to-face selling in their marketing mix. Often the sales force was in existence long before the company became concerned about marketing. This sometimes explains why, in many organizations, sales and marketing are regarded as two separate functions.

When the total cost of recruiting, managing and providing salespeople with all the necessary resources and support systems is taken into account, the sales force is likely to be one of the most costly elements of the company's marketing activities. In order to obtain value for money, it will be important to plan how personal selling will be integrated into the 'communications mix', and then organize the logistics to ensure that the right results are achieved.

Exercise 8.1 looks at how the role of the sales force can be established.
Exercise 8.2 tackles the task of how to set quantifiable objectives for the sales force.
Exercise 8.3 examines issues about managing the sales force and, in particular, how to set the right motivational climate.

As a further exercise, try following the step-by-step guide to creating a KAM portfolio in the section within this chapter on 'Planning for a key account portfolio'.

Exercise 8.1 The role of personal communication in the communications mix

Before attempting to produce a sales plan, we must spend a few minutes getting back to basics and examining exactly what information customers will require from the sales force.

For different sorts of businesses, the role of the salesperson can be entirely different. In some they will just be order-takers, in others negotiators, in others demonstrators, and in others perhaps a composite of these and still other roles. Clearly, then, to claim that a salesperson 'just sells' is very much an oversimplification of the role, and sometimes can be downright misleading.

Taking your marketing objectives as the starting point, that is, which products/services go to which markets or segments, select one of your key markets/segments as a study vehicle and focus on the customers. What sort of information do they require from your sales force?

The next worksheet is designed to help with this task. There are three steps to be tackled:

1. Establish the communication areas that need to be covered.
2. Because of the costs of having a sales force, assess if there are less costly feasible alternatives to personal visits to achieve the same results.
3. List what these alternatives are, together with when and how they will be used.

Thus, on completion of the worksheet you will have a complete breakdown of the personal communications necessary to achieve the company's marketing objectives in your study market segment. In addition, you will have other information to show how personal visits can be a 'backup' to other methods of contact.

Worksheet What information do customers want from sales representatives? (Exercise 8.1)

For study purposes, just consider one important market segment. You can repeat the same procedure for others afterwards.

Recognizing that the sales force plays an important part in the company's communications mix, study the list below and then tick those 'demanded' by customers in column A. Now look carefully at the activities you have just ticked, and, taking each in turn, ask yourself if this information/communication could be provided in a more effective way than by a sales visit. For example, knowing the customer usage of a particular product might make it possible to obtain repeat orders by telephone.

Whenever you see the possibility of an alternative approach, place a tick in column B and make a brief note about the alternative.

Customer info. requirement	*A*	*B*	*Alternative provision of information*
About:			
product range			
product performance			
price			
discounts			
special offers			
promotions			
placing order			
after-sales service			
running cost in use			
guarantees			
spares and accessories			
new developments			
competitor products/performance			
assistance with displays			
assistance with merchandising			
training for own staff			
technical services			
quality assurance			
proof that product/service works			
warehousing/storage			
reordering			
load sizes			
leasing agreement			
delivery arrangements			
franchise agreement			
answers to objections			
joint ventures			
demonstration of product			
long-term contracts			
financial arrangements			
Add any other information requirements that are pertinent to your business			

(*Continued*)

Exercise 8.2 Quantifiable objectives

Having decided what role the sales force is to play in the communications mix to service your chosen market segment, you can now get down to drawing up some quantifiable objectives. These stem quite logically from the marketing objectives and should cover three main areas:

1. How much to sell (value of unit sales volume).
2. What to sell (the mix of product lines).
3. Where to sell (the markets/segments that take the company towards its marketing objectives).

Please note that in Exercise 8.1 you have already chosen one component, 'where to sell', by selecting an important market or segment.

The sales plan is in effect the translation of these 'ball park' figures into individual targets for each sales representative, taking into account special factors such as their territory/sector size, the size of customers within a particular territory/sector, and so on. Thus, how much to sell breaks down into individual targets. The mix of the product lines becomes an individual target. Where to sell becomes a specific customer list.

In addition, there can be other quantifiable objectives, typical examples of which are given on the next worksheet. Using this worksheet, you will be able to devise a set of targets appropriate for each of your sales representatives. The entries towards the end of the worksheet show how the basic targeting can be made somewhat more elaborate if it suits your company to make it so.

If you use one sheet per person, the total will become the sales plan for this particular market segment.

Worksheet Individual sales targets (Exercise 8.2)
Market segment ________________________
Salesperson ________________________
Territory ________________________
Period to which these targets apply,
year, month, week, call cycle, etc. ______________

Target	*Number*	*Qualifying notes (assumptions, special local factors, etc.)*
Units sales volume		
Product A		
Product B		
Product C		
Product D		
Number of calls planned to be made		
Number of interviews to be secured		
Number of enquiries to be raised		
Number of quotations to be submitted		
Number of orders to be taken		
Call/interview ratio*		
Interview/enquiries ratio*		
Enquiries/quotations ratio*		
Quotations/order ratio*		

Cost per visit Calls per day planned Average length of call Average daily mileage Number of new accounts planned Number of letters to be written Number of reports to be written Number of point-of-sale displays to be organized Number of meetings to be held, e.g. with trade Number of service calls to be made Number of customer complaints Number of customer training sessions to be run Number of competitor activity reports to be submitted Number of general market condition reports to be submitted Add any others that are relevant to your type of business		

*Based on past experience and future expectations.

Exercise 8.3 Managing the sales force

Although some purists might claim this is an oversimplification, the key management activities are:

- Setting performance standards (both quantifiable and qualitative).
- Monitoring achievements against these standards.
- Helping/training those who are falling behind.
- Setting the right motivational climate.

The word 'management' has been emphasized because many sales managers perceive themselves to be 'super' salespeople and continue to put most of their energies into selling rather than managing.

Setting performance standards

Exercise 8.2 concentrated on the quantifiable standard – what has to be achieved. Equally important are the more subjective elements of how the tasks are achieved: the quality of the actions. Some companies have quite deliberately set out to create a style to which salespeople are expected to conform. This can cover appearance (of people and their property), the layout of presentations and reports, the way work is planned, the way customers are addressed and various other aspects of the work. You might have to give some consideration to this question of 'the way we do things around here'. But please note that in the examples given above, there is a standard to work against and performance is, therefore, measurable.

Place less emphasis on non-measurable factors, such as creativity, loyalty, interest, enthusiasm – relying on them too heavily is to plant the seeds of discord. Such subjective judgements can easily be misconstrued as favouritism by some and unfairness by others

(*Continued*)

who have been 'scored' lower. Nonetheless, they can be relevant, so we have included a way of 'measuring' these elements in this exercise.

Monitoring performance

What salespeople are doing can be largely measured by reports, sales figures, internal memos and suchlike. How they do things can in most cases only be assessed by being with them and observing their actual performance.

Thus, performance will have to be monitored at these two levels, and the frequency for doing so will depend upon the experience of the salesperson, the newness of the operation and the uncertainty of the situation. As a rule of thumb, the higher the uncertainty surrounding the salesperson, the territory/sector, the product range, the customers, and so on, the more frequently should performance be monitored. The appraisal summary (Worksheet 1) provided will enable you to monitor and 'measure' all the relevant quantitative and qualitative elements of your sales force.

Helping/training those whose performance is below par

By having measurable standards of performance, it becomes possible to be quite precise about the area and nature of help that salespeople need. After discussing the problem with them, you will be able to decide if it can be best solved by providing the salespeople with:

- More information (about products, prices, etc.).
- More support (report writing, more joint visits, etc.).
- More training (which generally means improving their skills).

Often training, which can be the most costly solution, is rushed into when other actions would serve the purpose more effectively. Should training be required, much of it can be carried out on the job by a suitable skilled instructor, who would follow a process like this:

1. Instruction/demonstration by instructor.
2. Practice by the salesperson.
3. Feedback by the instructor.
4. Further practice with feedback until performance is acceptable.

Setting the right motivational climate

Perhaps little of the above will really work unless the motivation of the sales force is right. While this subject could be the basis of a whole book by itself, it is possible to see a fairly straightforward way of cutting through much of the theoretical undergrowth.

By and large, if you can reduce those factors which tend to demotivate your staff and at the same time accentuate those which motivate them, then the motivational climate must improve. In saying this, it is important to recognize the difference between removing a demotivating factor and accentuating a motivating one. Removing a demotivating factor will not of itself bring about motivation. All it will do is to stop the complaints about the situation. In contrast to this, accentuating or adding to the motivating factors will undoubtedly lead to a higher commitment to the work. Worksheet 2 enables you to establish exactly what these factors will be for your organization.

Worksheet 1 Individual appraisal summary (Exercise 8.3)

SALESPERSON ______________________________

DIVISION ______________________________

TERRITORY ____________________ YEAR ________

MANAGER ______________________________

Note:
Score between 5 and 1, when 5 represents excellent and 1 represents poor.

Salesmanship	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Product knowledge												
Pre-planning												
Objectives												
Introduction												
Participation												
Handling objections												
Use of benefits												
Visual aids												
Third-party proof												
Investment merit												
Closing techniques												
Merchandising												
Range selling												
TOTAL												

Organization	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Territory planning												
Use of time												
Reporting												
Records												
Sales statistics												
New account												
Follow-up												
Care of equipment												
TOTAL												

Attributes	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Enthusiasm and drive												
Training and self-development												
Appearance												
Punctuality												
Cooperation												
Customer relations												
TOTAL												
GRAND TOTAL												

Worksheet 2 Motivational climate

Get your salespeople to consider the various things, incidents or situations, that have happened to them in their work over the last, say, six months. (You can select the time period.) Then ask them to make brief notes under the headings shown on the form.

Those things I found DISSATISFYING	*Those things which gave me SATISFACTION*
Find ways to reduce or eliminate as many of these factors as possible.	Find ways to build on or add to these factors. These are the real motivators.

Exercise 8.4 Simulation practice

In your game, choose a key segment, sector or product line and review your marketing objectives set for it (see Exercises 5.4 and 6.6). With these in mind:

a) Discuss the need for a sales force in your company. Do you need a sales force and, if so, what would be its role, purpose and objectives?
b) How large should the salesforce be, how should it be organized around products and customers and how should it be managed?
c) Expand to the entire market if necessary.
d) Decide whether you need to change your level of people investment in each of the segments.

Note: if you wish to learn about practising good KAM, then you should enquire about playing our dedicated Strategic Account Management game, SAM2Win.

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