

TRUE SALES AND MARKETING STRATEGISTS

Key Account Management (KAM) –also known as Strategic Account Management (SAM) in the USA

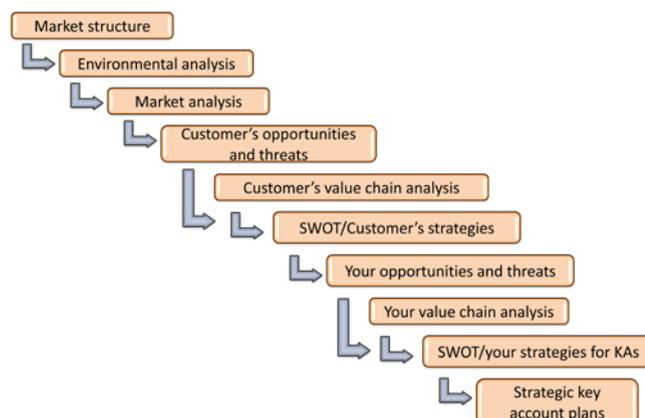
By Professor Malcolm McDonald, Chairman of Malcolm McDonald Consulting Ltd and Contributor to www.malcolm-mcdonald.com

Over the past twenty years, big companies have become even bigger and more powerful, and most firms have recognized that such accounts need to be separated from mainstream marketing; they need to be placed in a dedicated part of the company with its own dedicated team. Thus, KAM often becomes an SBU (Strategic Business Unit) in its own right. The main problem, however, is that they quickly discover that KAM is not a selling activity, and requires a whole new set of skills and processes, which amount to a major change programme in the organisation.

KAM is a blueprint for treating individual customers as markets in their own right. Frequently, a handful of major customers account for a substantial proportion of company revenues. Our research has shown that rather than making money for suppliers, these customers often COST them more than their revenues, and few know why or what to do about it. They also do not know how to do the following for their key accounts, with serious financial consequences: selection and categorization of key accounts; understanding and anticipating their needs: developing key/strategic account plans; understanding the skill set required for managing; setting appropriate objectives and strategies; how to get the whole organization to understand their role in delivering value to their key/strategic accounts.

We have written what is considered to be the definitive book on KAM - *Key Account Management. The definitive guide*”, now in its 4th edition. Our work in this domain is based on over 20 years of research at Cranfield University School of Management, sponsored and tested by many of the world’s leading companies.

Typically, when running workshops on this topic, we start with at least a half day briefing for the Board, to ensure buy-in. Then, we bring in a much larger group - a senior, multi-discipline team from sales, marketing, operations and finance.



We take them through the process outlined in the figure, to develop a customized KAM program that includes strategy, value proposition, financial targets and action plan, which is regularly reviewed and amended.

We also have developed a strategic accounts management business simulation, which can be used to reinforce the learning.

The methodology, experience, guidance and practical hands-on help that you brought us – including with key account selection, cross-border client service teams, account planning and winning active top level support across Europe – were invaluable in establishing effective pan-European Client Relationship Management in our company. You helped us to put strategic client relationships at the heart of our business and keep us ahead of the competition.

Sir Julian Berney

International Director

Jones Lang LaSalle

All facts and figures in this publication are presented in good faith and on the basis of information before us at the time of writing.

About Malcolm McDonald Consulting

The fees for the Board induction, workshops, coaching and consulting support reflect the time and effort required for customisation and pre planning work. Engagement of our team of consultants with client organizations and businesses usually results in an increase in net profits of up to 10%.

Two Action Points:

Consult informally with peers and key decision makers inside your organization to discuss how the management of your key accounts impacts sales and marketing initiatives.

- ✓ Action: Take our **free** KAM Diagnostic to compare your key account management blueprint with good practices, and identify the gaps.

Assess the nature of the support you may need to address the key issues identified.

- ✓ Action: Meet our senior consultants to discuss your issues with management of key/strategic accounts; agree the best course of action and resources needed to work with us.

About Malcolm McDonald Consulting

Malcolm McDonald Consulting Ltd. is a strategic sales and marketing consulting business. With our end-to-end interactions, from Board level to internal project team, we help companies create value through getting the fundamentals right in strategic sales and marketing, all within budget and the agreed deadline.

Professor McDonald and his team of consultants work with the boards and internal teams of executives from a number of the world's leading multi-nationals on all continents.

Malcolm McDonald is Emeritus Professor of Marketing at Cranfield University, and Visiting Professor at Henley, Warwick, Aston and Bradford Business Schools. He authored over 40 books on marketing and key account management. Coming from a background in business which included a number of years as Marketing Director of Canada Dry, Malcolm has successfully maintained a close link between academic rigour and commercial application. He has consulted to major companies from the UK, Europe, USA, Far East, South-East Asia, and Africa, in the areas of strategic marketing and marketing planning, market segmentation, key account management, international marketing and marketing accountability.

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