



SUCCESSFUL COMPANIES BELIEVE IN KAM

RESULTS FROM THE GLOBAL KAM HEALTH CHECK APRIL 2013

Key Account Management

How healthy is the management of your Key Accounts? We asked managers all around the world how they perceive this in their companies. The questions asked are based on the Key Account Management approach developed by Mercuri International in cooperation with University of St. Gallen.

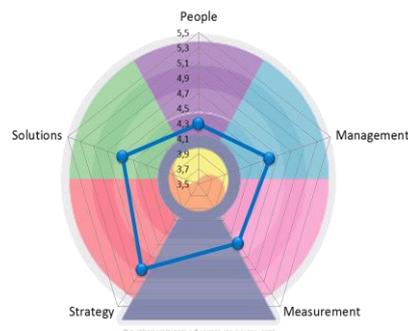


In this model we define 5 key areas that enable the best alignment between a key customer and a key supplier. The five areas are: Strategy, Solutions, People, Management and Measurement. The KAM system then provides tools and structures for every area, both at the operational level and at the strategic level.

The results are based on 622 replies from companies in 22 countries.

Room for improvement

All questions were asked on a seven-point scale. The results indicate that KAM is an area where most companies have plenty of opportunities to improve – on the five key areas the scores were between 4.3 and 4.9



Strategy: Check

Measurement: Maybe later...

The highest rated area was in Strategy – ‘we have a fairly good idea of what we want our KAM to accomplish’. However, in the follow-up phase, using Measurements to prove results, the scores are lower. Measuring KPI’s agreed upon by both customers and account managers are essential to monitor and prove the added value that is created by KAM, both internally and with the customer.

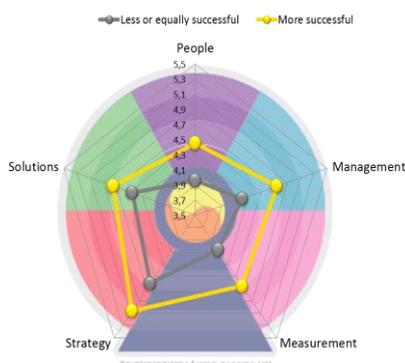
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An example: An international transportation company wanted to lower total cost of ownership of their trucks by decreasing maintenance-cost. They did not have accurate figures of the use of e.g. spare-parts and service-levels from their own multiple subsidiaries. The truck manufacturer KAM was able to provide this information and helped develop a program to lower costs for the transportation company. The KAM was able to maximize the influence on the process and how the measurement was implemented. If the truck manufacturer had not had the exact measurement system in place they would not have been able to add and prove this value.

KAM should be measured, to show the financial value to both the supplier and the customer

Successful companies use a KAM-system

When we compare the results between respondents who find their company more successful than direct competitors and respondents who are less successful, we see very distinctive differences on most questions.



The successful companies recognise the value of a systematic approach. One example of this is a global technology company which during the start of the crisis in 2009 had to cut sales-costs. Believing in sustainable growth by consistently managing their Key Accounts, they decided to expand their level of KAM in both

existing and new customer-areas. After this decision their figures for new orders received grew within the year.

Key Account Management requires constant development

One of the biggest gaps we found between successful companies and less successful ones is in how well they are able to develop the skills and knowledge of everybody involved in KAM. The successful ones are more aware of that Key Account Managers are much more than just 'senior sales reps' or 'commercial project managers'. An example of this is a global health care company who defines that everyone in KAM must be aware of that they are running a business for them and for the customer. They arrange multi-level training and education to support the KAMs, which brings attention to the constant development of competencies.

Why a KAM health check?

Mercuri International teaches Key Account Management to companies all over the world in open courses as well as in-company. By using an assessment we, as well as the customer, get a better understanding of the current situation and where the weaknesses are. In this survey we have found that companies have larger problems with the strategic part of KAM than with the operational part of KAM. What is the situation like in your company? Get in contact with us - we can make an individual analysis of your situation and benchmark you with other similar companies within your industry.

Successful companies are better at developing their Key Account Managers

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