Excellence in Key Account Management

The St. Gallen KAM Concept
# Contents

Preface ........................................... 9

Practical experiences with the St. Gallen KAM concept ........ 13

1 **Success with key accounts** ........................................ 17

2 **The development of key account management** ................. 23
   2.1 KAM since the 1960s ........................................ 25
   2.2 Professionalization of national KAM programs
       since the 1980s ........................................ 25
   2.3 International and global KAM since the 1990s .......... 26
   2.4 Specializing and perfecting KAM in the present .... 27

3 **The St. Gallen key account management concept** ............. 29
   3.1 The key and lock analogy .................................. 30
   3.2 Tasks for the key account manager and management ... 31

4 **Situational key account management** ............................ 41
   4.1 The vertical stage of supplier and customer ............ 43
   4.2 Supplier and customer sectors: business-to-business
       and business-to-consumer .................................. 44
   4.3 Success for customers and suppliers .................... 45
   4.4 Number of customers and number of suppliers ........ 45
   4.5 Customer values and supplier values, including the status
       of the cooperation ........................................ 45
   4.6 Customer procurement strategies and processes,
       and supplier marketing strategies and processes .... 46
   4.7 Size of the organization and resources .................. 46
   4.8 Organization of the customer and the supplier .......... 47
   4.9 Type of service and service complexity, including form
       and status of cooperation .................................. 48
   4.10 Internationalization of customer and supplier ........ 48
   4.11 Overview of different KAM situations ................. 49

5 **Key account management analysis** ............................... 53
   5.1 Analyze key accounts ...................................... 53
   5.2 Analyze services and returns .............................. 67
5.3 Analyze competencies ........................................ 74
5.4 Analyze structures and responsibilities ................. 76
5.5 Identify criteria and thresholds ............................ 78

6 Strategy, vision, and objectives in cooperation with a key account 81
6.1 Strategies with a key account ............................... 81
6.2 Formulate visions for long-term cooperation with key accounts ..................... 93
6.3 Objectives make the strategy comprehensible ............ 95

7 Services for key accounts ....................................... 99
7.1 Targeting the requirements of key accounts ............. 99
7.2 Customer advantage as the core criterion for key-account-specific services ............. 100
7.3 Strategy tailored to customers determines the design of the service package .......... 103
7.4 The political service playground for KAM ................ 108
7.5 Compilation of key-account-specific service packages ........... 118
7.6 Securing return services from key accounts .............. 121

8 Processes and activities in key account management .... 127
8.1 Activities to fulfill customer requirements ............... 127
8.2 Process management as a conceptual aid ................ 129
8.3 A process-oriented approach for KAM .................. 130
8.4 Three steps in KAM ........................................ 132
8.5 Identification of the precise process for KAM .......... 133

9 The key account management team ......................... 141
9.1 Teams: an outdated topic in management theory? ...... 141
9.2 The composition of the KAM team ....................... 143
9.3 Responsibilities in the team configuration ............... 147
9.4 Team configuration for new key accounts .............. 148
9.5 Coordination tools for KAM teams ...................... 148
9.6 The role of the key account manager as team coordinator ... 151

10 Measuring success in key account management .......... 159
10.1 KAM requires an extensive system for measuring success ...... 159
10.2 The balanced scorecard as the basis for a multidimensional check in KAM .............. 160
10.3 Approaches for developing a KAM-specific balanced scorecard ...................... 162

11 The key account plan ........................................... 169
11.1 The essence of planning in KAM ......................... 169
## Contents

11.2 The structure of a key account plan .................................................. 169  
11.3 Fine-tuning of the key account plan .................................................. 172  
11.4 Creation of the key account plan ....................................................... 173  
11.5 Application of the key account plan ................................................. 176  
11.6 Success factors in key account planning ............................................ 177  

12 Strategy in organizational KAM .............................................................. 181  
12.1 Definition and selection of key accounts ............................................. 181  
12.2 KAM as a component of the company strategy .................................... 192  

13 Solutions in organizational KAM ............................................................ 199  
13.1 Key-account-specific services in the service portfolio of a company .......... 199  
13.2 Basic prerequisites for successful key account services ......................... 209  

14 Skills in organizational KAM ................................................................. 215  
14.1 Personal development for the employees in KAM ............................... 215  
14.2 KAM focus on human resource strategy ............................................. 228  

15 Structures in organizational KAM ........................................................... 239  
15.1 Implementation of KAM structures ..................................................... 239  
15.2 KAM focus on corporate structure and culture .................................... 263  

16 The scorecard for organizational KAM ..................................................... 281  
16.1 Learning and knowledge management ................................................. 281  
16.2 KAM focus on the corporate internal control and reporting system ........ 289  

17 Conclusion and outlook: coherent systems for key account management .......... 293  
17.1 Risks in KAM .................................................................................... 293  
17.2 Challenging aspects of KAM ............................................................... 302  
17.3 Future development perspectives ....................................................... 306  

Bibliography ................................................................................................. 315  

Figures ........................................................................................................ 335  

Index .......................................................................................................... 339  

About the authors ....................................................................................... 343  

The seminar on the book .......................................................................... 347