

**COMPLEX AND NEW MARKET CHALLENGES CALL FOR SOPHISTICATED
JOB SPECIFICATIONS IN KEY ACCOUNT MANAGEMENT –
A QUALITATIVE ANALYSIS ABOUT THE ROLE AND COMPETENCE PROFILE
“KAM GENERATION NEXT”**

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KAM is “a concept through which companies introduce the principle of relationship marketing into their customer policy and become closer to the customer” (Ivens and Pardo, 2007, p. 472). The aim is to offer a special treatment to the key accounts (KAs), the most strategically important customers in a firm’s customer portfolio, in the fields of marketing, sales and services administration (Barrett 1986). Hence a KA is managed in a specific idiosyncratic way including dedicated actors, activities and resources (Homburg, Workman, and Jensen 2002).

Implementing KAM in an organization encompasses a series of challenges ranging from structural and personal changes to changes in management style and especially the fundamental corporate philosophy. It is “the creation of a new mission (thus the creation of a new job, new practices, etc.) and its integration into the existing structure. This mission involves coordinating supplier information and actions in time and space in relation to a customer in its entirety (geographical and historical)” (Pardo 2001, p. 1).

KAM is typically implemented through a KA Manager who in many cases works with a temporary or permanent key account team (KA team) to serve the KA (Salojärvi, Saarenketo, and Puumalainen 2013). The most significant difference to classical sales management is the complexity of the business in KAM. In order to create value for the own organization as well as for the KA organization, the KA Manager fulfills a coordinating role between two complex networks of relationships (Wilson and Millman 2003). Consequently the KA Manager’s role originated as an issue of inter-organizational relationships between the supplier company and the KA. In this understanding the KA Manager’s position is often described as a boundary spanning one (Singh and Rhoads 1991).

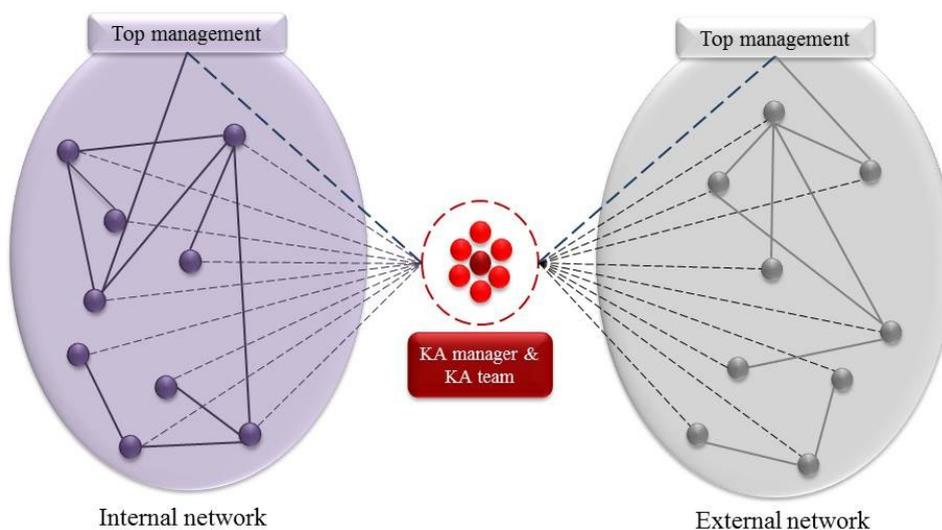


Figure 1: The boundary spanning role of the KA Manager (Niersbach 2016)

The challenges in this boundary spanning constellation are diverse, multiple and complex. Both

sides of the networks, internal and external network management, are important elements for KAM performance and need to be well balanced and stable. Academic research points out that the personal characteristics of KA Managers are an important aspect of successfully balancing internal KAM activities (Niersbach 2016) as well as successfully managing activities with the focus on the relationships with KAs (Mahlamäki 2010; Senguputa, Krapfel, and Pusateri 2000; Wilson and Millman 2003).

McDonald, Millman, and Rogers (1997) identified several characteristics for a successful KA Manager: integrity, the ability to communicate, a deep understanding of the internal and external relationship network as well as the relevant market, sales and negotiating skills. Wilson and Millman (2003) introduce the expression “political entrepreneur” to illustrate the demands in this role. Yip and Bink (2008) specify ten characteristics which in their opinion are of significant importance for KA Managers: the ability to communicate, global management skills, business and financial sense, strategic understanding, problem-solving abilities, cultural empathy, sales talent, market and branch knowledge and, finally, product knowledge. Lately interpersonal skills have been identified as one essential success factor for KA Managers. They comprehend the competence to communicate, coordinate, persuade and link different actors in KAM, in the internal organizational as well as in the KA network, in order to create value for both organizations (Niersbach 2016).

Hence the KA Manager can contribute to an effective value creation for her/his own organization as well as for the KA firm (Georges and Eggert 2003, Niersbach 2016). The multiple demands as a “political entrepreneur” range from analytic competences to diplomatic and to entrepreneurial skills. Depending on the distinct existence of her/his personal characteristics and interpersonal skills, the KA Manager will be more or less a successful actor in her/his internal and external relationship network. Thus, the KA Manager requires a deep understanding of her/his own and the KA’s company. S/he has to act as an ‘internal advocate’ who needs to develop an internal communication network and establish a value proposition for all parties concerned (Wilson and Millman 2003).

In this understanding, the KA Manager coordinates collaborative processes across intra- and inter-organizational boundaries. Due to a lack of hierarchical power and, hence, authority in the internal network, KA Managers often need to find other ways of influencing other network actors. The development of a ‘sense of belonging’ and ‘keeping everybody on the same page’ (Guesalaga and Johnston 2010) as well as establishing an ‘esprit de corps’ among the units involved in the management of KAs are essential for an effective KAM (Workman, Homburg, and Jensen 2003).

It becomes obvious that the selection of the KA Manager is a critical activity for ensuring an effective and innovative KAM system in organizations (Marcos-Cuevas et al. 2014). Moreover, while the required competence set is already multi-dimensional today, it becomes more and more sophisticated and complex due to the dynamic of markets including new trends and technologies and the transformation to an increasingly digital work environment.

Nowadays, KA Managers often work in digital KA teams whose members generally have different technological and cultural backgrounds (Lacoste and Niersbach 2015). Since 2020, the Covid-19 pandemic has forced companies and managers to switch to extensive digital working methods. With the pandemic, the market challenges have even increased regarding the uncertainty and complexity. They are numerous and can arise in a fast and unexpected way. Also, customer relationship management in KAM that has been often managed in a very personal way and numerous face time meetings before the pandemic, had to be switched to digital interaction channels.

With the pandemic, the KA manager who is by definition in a “boundary-spanning role” between her/his own and the KA company has to become master of those diverse and

numerous challenges. The new situation can however lead to an increase in conflict situations. More than ever before, it becomes essential to understand the numerous roles and competences of a successful KA Manager. Therefore, the roles and the set of competences should be analyzed in an exploratory way since it can be considered a crucial success factor in internal and external KAM network activities. We consider this demands on “KAM generation next”.

We introduce the role and competence model by Hohl (2012) referring to the KA Manager as an “Intrapreneur” of the company, see figure 2. It shows all management competences and roles that are needed for success in KAM. In this vein, it serves as a appropriate theoretical framework for our case. It provides new insights into the nature of the individual corporate entrepreneur (the intrapreneur) and her/his six interconnected and often overlapping general manager roles: change manager, innovation manager, effectiveness manager, culture manager, team manager and communication manager.

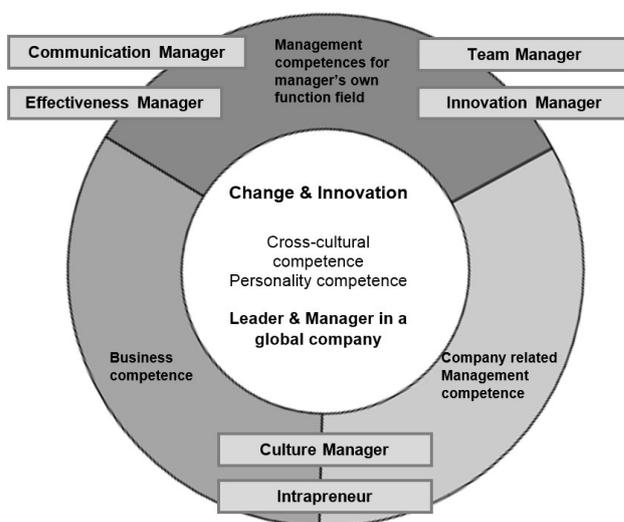


Figure 2: Role and competence model (Hohl 2012)

The intrapreneur combines management and entrepreneurial qualities and has an ambidextrous managerial and entrepreneurial mindset (March 1999). In this understanding, the KA Manager must unite an integrated set of interpersonal, informational and decisional managerial roles. Her/his main value contribution for the own company as well as for the KA firm lies in reducing complexity while creating organizational short and long-term success. According to Khandwalla (1977) the individual behavior is shaped by the logic of one’s tasks and different social expectations. Hence, well-coordinated roles are the prior conditions for achieving the company’s goals, and in a KA Managers’s understanding for achieving the goals with the KA.

The most basic role for corporate leaders at every level is to make initiative, creativity and entrepreneurship possible (DuBrin 2013). In a KAM perspective, a view on different managerial roles allows a flexible integration of intra- and inter-organizational perspectives in order to shape the relationship with the KA, and as a matter of consequence to clarify the leadership role of the individual manager. Therefore, the KA Manager as an “Intrapreneur” has to ensure that the key roles (culture manager, communication manager, team manager, effectiveness manager, innovation manager and change manager) are represented in a satisfactory way: for the existing business with the KA as well as in the entrepreneurial process to create new business with the existing KA or with a new KA. It has to be clear that corporate entrepreneurs in KAM have to be both: the conventional “directors” of existing

business models as well as the influential provoker of creative new directions. Hohl (2012) describes the different manager roles of an intrapreneur as follows:

Change Manager: S/he has to anticipate and scan possible changes in the external business network and to set in motion the practices and processes for the internal adaptation in the internal organizational network with focus on e.g. operating systems, organizational structures, culture, and strategic resource management.

Innovation Manager: S/he has to find opportunities, think how innovation fits into strategy, structure, technology, skills, resources, and organizational commitments and also balance the needs of existing lines against the needs of potential lines via portfolio planning.

Effectiveness Manager: S/he has to master the discipline of execution through linking people, strategy and operational processes. Consequently, s/he has to acquire the relevant resources and the people in order to realize appropriate strategies. S/he has the ability to manage people with self-awareness.

Culture Manager: S/he can understand and manage cultural diversity. As a consequence, the culture manager is cross-culturally sensitive, understands and appreciates diverse attitudes and behaviors, and works successfully in a global environment.

Team Manager: S/he has to shape structures of task work and teamwork in order to build network relations and information flows that connect team members and create effective team processes.

Communication Manager: S/he is the initiator of trust through sharing information, explaining entrepreneurial decisions and ensuring an open communication. The communication manager motivates and communicates top down and bottom up in order to combine and position different activities and communicates effectively with new-generation workers by showing a willingness to listen to younger employees and making sure that their concerns are taken seriously.

We assume that the competences and manager roles needed for “KAM generation next” will comprehend the competences and manager roles introduced by Hohl (2012). We also think that the multiple requirements might only be represented by few individuals representing exactly those different roles and therefore multiple competences. In our opinion, we emanate from some additional manager roles for “KAM generation next” which have not been considered so far in the model.

For the purpose of our study we apply a qualitative approach in the form of a case study. In industrial marketing, the case study is among the most popular research methods since the main investigations concern organizations and relationships which are difficult to access, and more complex in structure than organizations and relationships in consumer markets (Easton 2010). Hence, we consider it to be the most efficient methodological approach for our study.

During May 2021 until today, we conducted 21 in-depth interviews with KA Directors and Managers as well as Human Resource Directors of different industrial companies in Germany. We aim to understand in which way KA Managers could be developed best for future market challenges. We investigate how the requirements have changed due to the dynamic of markets and existing mega-trends, and which existing or new manager roles are crucial for the success of KA Managers “generation next”. Also we want to understand on which factors companies will focus most when recruiting and developing KA Managers. In a nutshell: we aim to understand which competences and manager roles are key for “next generation KAM”.

The managerial implications of the paper suggest how KA Managers can be qualified, trained and developed in an efficient way in order to fulfill the multiple demands on diverse manager roles. Our results allow us to understand the required role and competence set of KA Managers in a comprehensive way. It also gives us the possibility to expand the role and

competence model by Hohl (2012) to new market requirements, and hence define new manager roles for KA Managers. Moreover it will reveal which competences are key for successful future KA Managers. It will also deliver an understanding for organizations when defining the competence profile for KA Managers of “generation next”. With our final results we are able to give a valuable input to the existing academic research in KAM. Our research closes with the limitations of the research and suggestions for new avenues of research.

[Note: Please note that the case study is work in progress. We will be able to deliver the distinct final results at the conference.]

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