

Competencies for key account managers

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A view from a practitioner taskforce

Acknowledgments

This report is based on the work of the group exploring Key Account Manager competencies in 2005/6, from Warwick Business School's Strategic Sales and Customer Management Network.

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1. Introduction

Warwick Business School's Strategic Sales and Customer Management Network was founded in April 2005, to explore new approaches to customers and their implications. The reshaping and transformation of the traditional salesforce is one of the major areas concerned, and dealing with large, demanding customers through key account management is another.

The Network facilitates focused working group sessions as part of its activities. Members choose an area of concern to them in which they feel there is a shortage of material, and work together to explore it and develop ideas and tools around it.

Companies frequently ask whether they have the right people for key account management (the answer is often 'no') and how they can tell if they are right people, so a group of practitioners from blue-chip Network member companies opted to consider these questions. In fact, the question should really be more like 'What job do we want them to do? What role do they play in the company?'. That throws up the whole question of what role key account management itself should play in the company, and therefore the group started at that point.

This paper represents the outputs of the group's work, so that other companies can share their thinking and use the understanding and frameworks developed when they are considering who they want to do this job and what job description they should receive.

2. Issues in determining competencies

2.1 Sources of competency lists

A number of competency profiles for key account managers existing in blue-chip companies were collected and compared. They appeared to fall into two broad types, according to their origins:

- The 'sales director's' model
- The 'committee' model

The sales director's model

Profiles from the sales side tended to consist of long lists, which tended not to have a clear or balanced structure to them. They demonstrated a specific knowledge of the sales arena in the language and terminology that was used, but it was likely to relate to a more traditional view of selling than a genuine key account management approach. They were rather detailed and very prescriptive, and could even look rather like 'this is the way I did the job, so this the way you should all do it'. For a key account manager, trying to be a carbon copy of someone else is less likely to be rewarding and successful than developing his/her abilities within a recognisable and balanced framework.

The 'committee' model

This label was attached to profiles that often had their origins in the Human Resources Department. They tended to be better structured, since they conformed to an organisation-wide format, and were often based on an existing sales job specification which had already gained approval. Indeed, in some cases, HR had failed to see the difference between sales and key account management, and blocked the development of a different job specification for key account managers.

While the committee approach no doubt included people with specific knowledge of the domain, the language suggested that their input was diluted, so that more generic formulae were used than in the sales directors' models. As a result, these profiles were less meaningful for the people actually involved, although they complied with organisational requirements. They were likely to include standard elements reflecting HR policy that were not very important in defining the job, and omitted opportunities to make the real expectation clear between key account managers and their line managers.

Table 1: Comparison of KAM competency profiles with different origins

Parameter	Origin of competency profile	
	'Sales director's' model	'Committee' model
People involved	Sales	HR and sales or project manager
Basis	'How I would do it'	Previous sales job specifications
Specificity	Detailed, sales language	More generic
Structure	Long list, few divisions	Company-wide approved format
Time to produce	Quick	Slow, even tortuous
Value for development	Too idiosyncratic	Too generic

Probably only a minority of those involved had been 'educated' in KAM, so both of these approaches were based on pre-existing ideas, whether embedded in the sales director's psyche or in the HR department's files. They therefore tended to be poor at reflecting what key account management could and should do, and how.

Presumably instruments like competency profiles would already be in place if KAM were already operating in the company, so the assumption must be made that whatever the company currently has in place will not be appropriate. If the company does not have a sufficiently good internal model to work from, it should start from first principles or accept external expertise

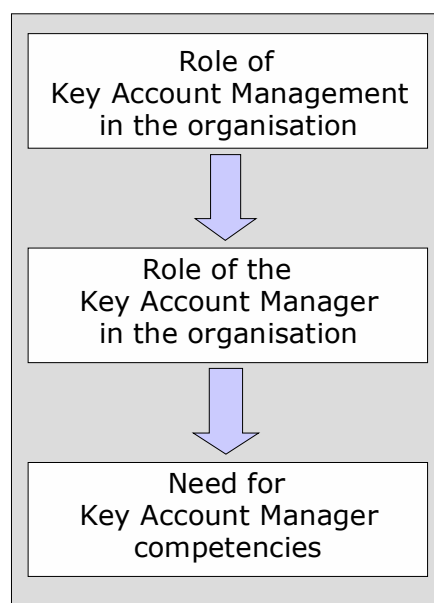
The role that KAM should play in the organisation is more appropriate and, at the same time, a more aspirational starting point.

2.2 Roles in key account management: the organisation and the key account manager

Before it can decide what the key account manager's job is and who should do it, the company needs to be clear about the role it expects key account management to fulfil in the organisation. This is an important discussion, as there are often different and incompatible views around, which easily lead to the appointment of the wrong people to these jobs.

If KAM is seen as a short-term revenue generator, the role of the key account manager would be largely selling but if, as it should be, KAM is seen as a long-term customer retention and value-generating activity, then the key account manager's role would be different and a considerably wider range of skills would be needed. Figure 1 shows the links between roles – of key account management and key account managers – and required competencies.

Figure 1: Relating roles and competencies



In fact, when the role of the key account manager is mapped out against the role that the organisation wants key account management to play, it quickly

becomes clear that the company has its own role to play: KAM is not simply enacted by key account managers. A very important part of their role is internal, where they have a limited remit. The company must fulfil responsibilities in the wider organisation and support its key account managers by removing barriers, providing resources etc. Some companies seem to feel that 'it's all down to the key account managers', but that is a recipe for failing at KAM and for losing some of the best people a company has, as the key account managers becomes weary of fighting battles they cannot win, and possibly some of the best customers too, when promises are not delivered. Figure 2 demonstrates the balance between the roles of the organisation and of the key account manager.

Figure 2: Balancing the organisation's role with the key account manager's role

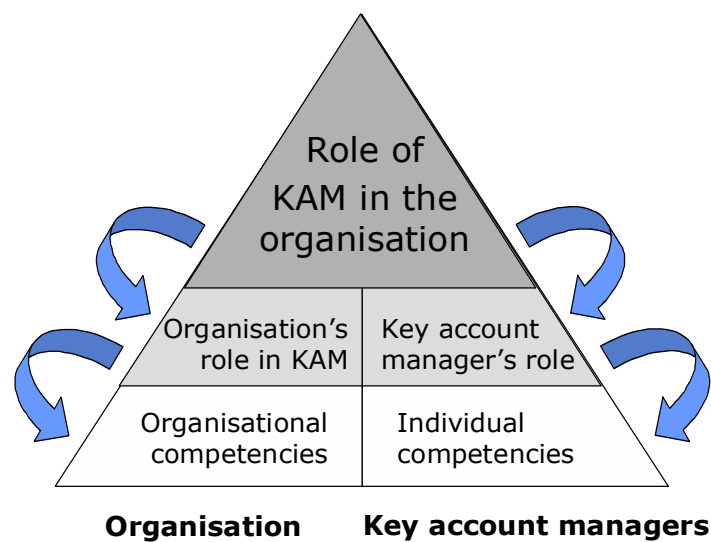


Figure 2 suggests that, if the organisation has a role to play, it should also have the competencies or capabilities needed to play it. This paper does not go any deeper into this aspect of KAM, but it is a valid point to consider whether the company itself is fit for KAM, not just whether it has appointed people who are fit for key account manager positions.

This project mapped out what the organisation's role and responsibilities are (see Section 3), based on the required role of KAM in the company. The capabilities that companies need to operate KAM could be identified in the same way as the key account manager's competencies have been developed from his/her role. The results would form a valuable audit framework, so that companies could assess what they already had and what they needed to do to become successful at KAM.

2.3 The role of KAM in the organisation

Before deciding the role of KAM, clear objectives for it should be set: why is the supplier operating KAM at all? In many cases, the principal purpose is customer retention, particularly of certain customers crucial to the supplier's business. In that case, KAM's role will be different from a sales initiative designed to drive revenue and customer numbers. KAM is seen to have three main roles in the supplier company:

- Delivering strategy
- Working with customers
- Implementing KAM effectively

Suppliers embarking on KAM should consider these three areas in greater detail and compare them with the elements in the following lists.

Delivering strategy

Where KAM is appropriate, it is an important vehicle for delivering the organisation's strategy. Not only does it concern substantial amounts of business for the supplier, both currently and in the future, responding to the evolving demands of leading customers also drives change through the organisation in terms of product and service innovation, supply chain, information and all manner of ways of working. Nevertheless, its strategic role does not appear to be recognised by some companies, those which consider it to be a purely Sales activity. KAM's role in delivering strategy is extensive:

- Realising the strategy and vision
- Managing major source of risk
- Giving market insight and reflecting market changes through leading customers
- Integrating route to market strategy with marketing and product development
- Defining and achieving value-add for customer and supplier

Key customers represent a terrific opportunity for safer innovation. The supplier is working with customers which are closer to the marketplace and can provide invaluable market insight, so it should be assured of a market for its innovation.

Different strategies may be 'owned' by different parts of the supplier's business, but they are often fully visible from the customer's perspective. As markets and customers become increasingly complex, careful co-ordination is needed to avoid unfortunate clashes.

However, as key customers grow in importance for a supplier, the risk attached to them may also grow. The risk should be acknowledged and consciously managed.

Working with customers

As customers are the pre-eminent focus of KAM, clearly it is very much about working with customers. It is not, however, a blanket, company-wide approach to all customers, but is concentrated on those who will reciprocate and repay investment in them. Key customers can consume large amounts of a supplier's resources of time and money, and controlling the resource flow is critical in ensuring that suppliers make profit out of their relationships with these customers.

- Working together with customers *who want to work with you*
- Developing relationship-led business (not product/selling)
- Managing resources
- Providing suppliers' credibility with customers

- Leveraging suppliers' range of capabilities into customers
- Enabling interdependence and joint development
- Monitoring competition

In KAM, direct selling, 'push' activities are replaced by creating 'demand pull'. Once the relationship has been established, growing business is about creating more opportunities through developing a wider interface with the customer. Such opportunities are heavily dependent on the supplier's credibility and its full range of capabilities, although some suppliers seem determined to put obstacles in the way of capitalising on these assets.

Implementing KAM effectively

While KAM automatically has a role to play in dealing with customers, it also has a vital role to play on the inside of the organisation, to make the commitments it offers to customers work. KAM is a constant change programme: even when it becomes embedded as the 'way we do things around here', it will continue to involve changing the company, as markets and customer demands continue to evolve at ever faster rates. Its role here is one of co-ordination and communication, particularly across internal organisational structures and barriers.

- Offering single point of contact, internally and externally
- Orchestrating cross-functionally, cross-boundary
- Implementing transactional cost reduction/processes
- Enabling contact review and control
- Providing tailored reporting

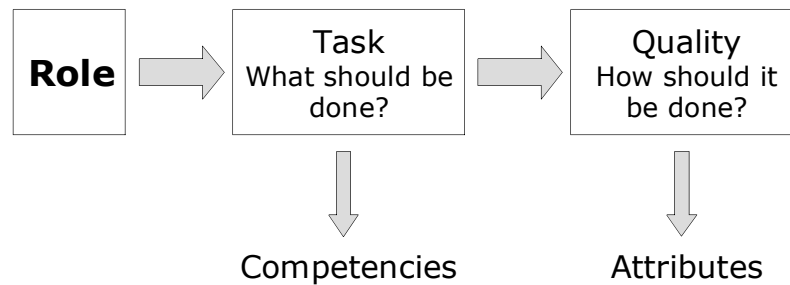
In each of these elements of the role of KAM the key account manager will play an important part: however, the company also has its part to play. It would be very unlikely for one to succeed without the other. Section 3 details the responsibilities of both parties.

2.4 Key account manager competencies and attributes

In Section 4, the specific competencies of key account managers are explored, driven by the role that is defined in Section 3. Describing the role naturally led to the tasks of key account managers, and the corresponding competency could often be described as the ability to do the task.

During the identification of competency requirements by this route, and also in the collection of existing competency profiles from companies, two 'types' of competency appeared to emerge. Some of the competencies related directly to the fulfilment of the task, such as 'Understand resource restrictions' led to a competency requirement 'Financial awareness (understanding cost/value of resources)'. Others related more to the way in which a task might be fulfilled, such as 'Resilience', as Figure 3 illustrates.

Figure 3: Relating competencies and attributes



The competencies that were more related to how the task should be performed were called attributes:

'Competency' is generally defined as the behaviours that employees must have, or must acquire, to input into a situation in order to achieve high levels of performance.

Attributes are individual traits or qualities which differ from competencies in the difficulty of acquisition or change. They can be measured by psychological i.e. psychometric tests.

Competencies can be taught and learned, but attributes are more embedded in individuals' view of themselves, their environment and their experience of life, and are therefore less easy to change, though it should not be assumed that they are fixed either. A quick litmus test pinpoints the difference, however: Are courses readily available? For example, there are plenty of courses for 'negotiation skills' (a competency), but not for 'tenacity' (an attribute).

The differences between competencies and attributes are summarised in Table 2.

Table 2: Comparison of competencies and attributes

Parameter	Competencies	Attributes
Application	Task completion	How tasks are carried out
Identification	Easier to identify and list	Harder to reach agreement, may be missed
Objectivity	More easily treated objectively	Treated less 'scientifically' than competencies, could be similar
Assessment	'Evidence' and achievements	Psychometrics
Discussion	Easier conversation	Harder to talk about: management fear
Development	Enhanced by training and development	Enhanced by exhortation and personal choice
Role	Express requirements transparently	Makes the difference

Companies have no real difficulty with assessing competencies, but attributes raised some issues, as in the following examples:

- A straightforward, transparent and objective process was used for assessing competencies, but the process for assessing attributes was very different, time-consuming, unsystematic and subjective.

- Although the need for certain attributes was recognised, all requirements listed were competencies: managers seemed to be “afraid” of talking about attributes.
- A highly successful key account manager moved on and was replaced with another of similar competencies but different attributes, who was much less successful with the client, and had to be withdrawn.

No doubt there are teachable elements of most attributes listed, and no doubt there are also inherent tendencies also present in any of the competencies that will mean that less teaching is needed to develop a high level of performance. Nevertheless, distinctions can usefully be made, particularly in deciding how and what to develop in people.

The suppliers’ requirement for attributes should affect its ‘make or buy’ decisions when recruiting people to these positions. It may be considered that it is more important to identify and bring in people with the optimum attribute profile, because their competencies can be more readily developed than their attributes.

2.5 Positioning selling in KAM

In most companies key account managers are recruited from within their own salesforce or, failing that, from someone else’s salesforce. Sales and KAM directors are insistent that key account managers have a strong sales background.

The question then arises as to what exactly is meant by ‘selling’. The following definition appears to be broadly acceptable:

‘Managing the selling/buying cycle from opportunity recognition to deal closure’

When Sales and KAM directors are asked to specify the way in which key account managers should spend their time (rather than how they currently spend their time) they tend to settle on 5-10% (finding repeated in several focus groups each involving several companies from diverse sectors). The question then has to be asked:

‘Is it logical to select 100% of people with a background that corresponds to only 5-10% of the job?’

If the answer is ‘no’, then three further questions arise:

‘Are there non-sales people whose existing competencies might address a greater proportion of the key account manager’s job, and who would therefore be good candidates for these positions?’

‘Is there any reason why ‘selling’ cannot be developed as well as any required other competency?’

‘Why do sales directors and managers persist in seeking only salespeople for these jobs?’

The answer to the first two questions must be ‘yes’. The answer to the third is more complicated. It may be that sales directors and managers are looking for people in their own likeness, because they will be more at ease with them, not just in terms of personality, but also in terms of understanding them and how to manage them. Furthermore, if the organisation continues to push for short-term

revenue, they may be more comfortable with knowing how to drive those results from people with familiar characteristics.

The issue can be circumvented if the supplier expresses its view of the key account manager role based on a KAM job description and competencies driven out of the role of KAM in the organisation, as suggested in sections 2.3 and 2.4. If it is driven out of the sales director/sales manager's experience or modified sales job descriptions (see Section 2.1), it is more likely to emphasize selling.

Generally, companies seem to be using competency lists without weighting any item more or less than others, which is understandable, given that they seem to be mostly using them for qualitative input to discussions and decisions. However, it is clear that, not only are some competencies considered more important than others, but that opinions on which are most and least important may vary from person to person within the supplier's organisation. Perhaps the company should express a consistent view, through giving each a weighting to indicate its importance.

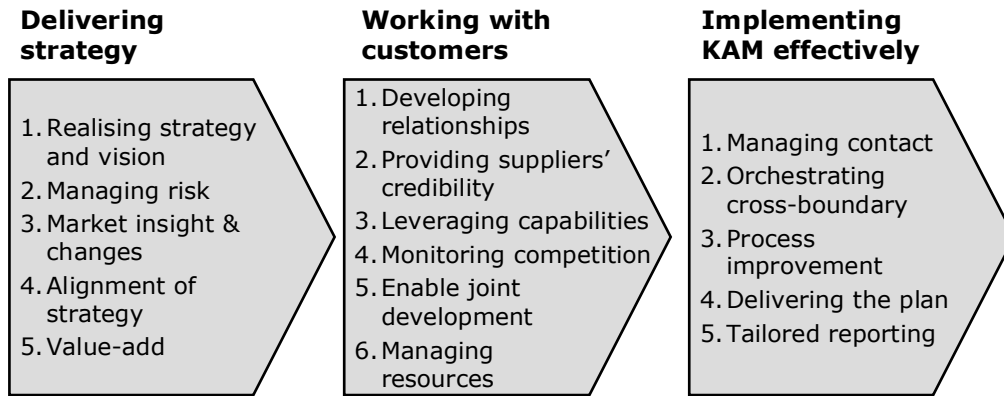
The persistence and consequences of differing views within a company on the positioning of selling in key account management highlight an important issue.

- Does KAM represent a new business model?
- How should companies acknowledge new business models and take steps to separate and protect them from preceding models?

3. Key account management roles

Each of the main roles of key account management in the organisation incorporates a number of more specific roles, as illustrated in Figure 4.

Figure 4: The role of KAM in the organisation



At this level it becomes possible to identify the parts of the role that should be taken on by the organisation and the parts that should be allocated to key account managers. Some elements of the role of the organisation or of the key account manager are repeated, because similar behaviour is required to implement different aspects of key account management. These duplications have been included, because otherwise specific parts of the role would be incomplete without them.

Certain common elements appear, particularly for the role of the organisation. While the following tables show the detail of what companies need to do to fulfil their obligations in key account management, the list below provides a useful high-level litmus test. The list is a good starting point for discussion of the extent to which the supplier company has taken on its role and is backing the front-line key account managers in the execution of their job. If these issues have not yet been addressed, the supplier could be spending a lot of money on people who cannot perform, however good they are, because they are not properly supported.

Litmus test for KAM effective organisations

Supplier organisations need to:	Achievement Poor/ Fair/ Good
1. Take decisions and follow them through	
2. Give authority to key account managers	
3. Communicate KAM and KAM issues internally	
4. Provide adequate resources	
5. Make information and expertise accessible	
6. Remove organisational barriers	
7. Promote sharing	

The following tables can be considered by suppliers putting together job descriptions for key account managers.

3.1 Roles in delivering the strategy

Role of KAM	Role of company	Role of Key Account Manager
<p>Strategy Realising the company's strategy and vision</p>	<ul style="list-style-type: none"> Clearly communicate strategy and vision Organise to deliver strategy and vision Identify key customers according to strategy/ criteria Tackle difficult issues 	<ul style="list-style-type: none"> Understand strategy and vision Develop aligned strategy for each key customer
<p>Risk Managing major source of risk</p>	<ul style="list-style-type: none"> Give guidance on important risks Provide process/forum for risk assessment and decision 	<ul style="list-style-type: none"> Identify market risk Identify risk relative to customer Negotiate to mitigate risk
<p>Market insight Giving market insight and reflecting market changes through leading customers</p>	<ul style="list-style-type: none"> Manage market insight programme Provide capture and share mechanism Provide resource for market research and information management Listen/provide opportunities to assess market changes 	<ul style="list-style-type: none"> Gathers market intelligence continually Communicate market intelligence internally to influence future strategy
<p>Alignment Integrating route to market strategy with marketing and product development</p>	<ul style="list-style-type: none"> Check strategy is aligned with market changes Provide process for resolving issues of conflicting strategies Provide resources for offer development 	<ul style="list-style-type: none"> Drive customer market development Identify and develop new opportunities to business case stage Participate in innovation and offer development process as required Feed added value back to customer
<p>Value-add Defining and achieving value-add (for customer and for supplier)</p>	<ul style="list-style-type: none"> Facilitate effective receipt and communication of customer understanding Respond constructively to new ideas for customers Provide resource for development of value-add ideas Deliver new ideas Support sharing ideas, cases, successes Provide training in techniques for customer understanding 	<ul style="list-style-type: none"> Penetrate customer Understand customer's strategy, business model, their value-add and development Understands the supplier's position in the customer's business and how the customer quantifies value Create solutions and aligned value-add for customer Build interdependence

3.2 Roles in working with customers

Role of KAM	Role of company	Role of Key Account Manager
<p>Relationships Develop interdependent relationships</p>	<ul style="list-style-type: none"> • Adopt KAM policy and willingness to work with key customers • Provide key account managers' stature/ authority • Understand and position key account manager's role with customer • Trust key account managers • Alert key account manager to customer-impacting events in advance • Set up senior executive sponsorship expectations 	<ul style="list-style-type: none"> • Assess customer willingness for relationship • Identify key decision makers and build knowledge and relationships with them • Develop comprehensive multi-tier interdependent relationships and ensure touch-points work • Use authority/stature appropriately to 'make it happen' for the customer • Build trust between supplier and customer • Keep customer informed about supplier company, market etc. • Resolve disputes • Involve senior people with customer as executive sponsors • Develop relationship governance framework and work within it
<p>Credibility Providing suppliers' credibility with customers</p>	<ul style="list-style-type: none"> • Provide demonstrations of company's relevant experience and proof of capability • Support and strengthen brand • Show financial strength • Provide resources and make them accessible and usable <ul style="list-style-type: none"> • Marketing material • Knowledge management framework • Shared, central pool of info, cases, papers etc • Company talent pool • Invest in and promote credentials of respected individuals internally and externally • Respond to quality issues and communicate remedial action 	<ul style="list-style-type: none"> • Believe in company • Represent the company professionally and communicate appropriately • Understand all the supplier's products, capabilities and ways of working and differentiation • Build strong internal framework • Provide evidence to customer pro-actively e.g. instigate shared measurement • Promote credentials of respected individuals internally and externally • Deliver unwelcome messages when necessary at the right time • Identify quality issues, and engage in remedial action
<p>Capabilities Leveraging range of company's capabilities into customer</p>	<ul style="list-style-type: none"> • Provide accessible information • Do not align key account managers with specific part of organisation • Mobilise resources across P&L silos • Develop the right culture, establish positives, promote and reward collaboration • Do not tolerate 'bad' citizenship, punish negatives 	<ul style="list-style-type: none"> • Find out and understand full range of company's capabilities and limitations • Avoid alignment with specific part of organisation • Operate and communicate across boundaries • Build contacts with key players in each capability

<p>Competition Understanding and monitoring competition</p>	<ul style="list-style-type: none"> • Position importance of competition • Define how competition influences business • Position company v competition, including win/lose record consolidation • Provide competitor profiles • Make mechanism and resources for collection of competitive intelligence accessible & timely, with interpretation 	<ul style="list-style-type: none"> • Observe competitor activity • Understand competitors in depth • Understand customer's views, engagement with competition and reasons • Collect competitor information using a variety of sources • Share information: provide facts, evaluate, validate, interpret and assess impact • Use variety of sources • Utilise in plans and action for competitive advantage • Take responsibility for sounding alarm at high level when necessary
<p>Joint development Enable joint development with customers</p>	<ul style="list-style-type: none"> • Install analysis/strategic planning process • Read and accept or reject key account strategies and translation into initiatives/projects • Evaluate options and formal business cases • Make key account plans visible • Allocate resources via 'venture capital' approach: cost v investment, regular roadmap v green field • Remove barriers and boundaries • Provide access to technical expertise • Set appropriate measurements and rewards 	<ul style="list-style-type: none"> • Has appropriate knowledge of company and products, capabilities and fit with core strategy • Identify opportunities for joint development • Develop business cases • Co-ordinate projects and facilitate customer involvement • Take responsibility for delivery of commitments • Monitor RoI through measurement system
<p>Resources Managing resources at the right level</p>	<ul style="list-style-type: none"> • Characterise key account managers and deploy/redeploy appropriately • Decide 'make or buy' to fulfil need • Provide coaching and development for key account managers • Provide virtual support team • Establish key account manager's legitimate call on resources with rest of company • Articulate resources available • Provide enough resources in quantity and nature • Mobilise resources pan-boundary where required • Monitor and review P&L objectively 	<ul style="list-style-type: none"> • Develop competencies required • Work effectively with and build the virtual support team • Understand resources and restrictions • Forecast and make business case for resource requirements in key account plan or projects • Deploy the right resources/experts at the right time • Feedback on future demand • Work within agreed boundaries, strategies and resource projections • Negotiate with resource holders/internal suppliers • Monitor use of resources and overall customer P&L

3.3 Roles in effective KAM implementation

Role of KAM	Role of company	Role of Key Account Manager
<p>Contact Managing effective contact between customer and supplier</p>	<ul style="list-style-type: none"> • Specify adequate level of authority internally and give support to key account manager • Apply discipline consistently: agree structured approach and best practice guidelines • Communicate customer contacts internally • Remove organisational barriers to accessing internal contacts • Provide support and appropriate participation of senior management • Encourage and value relationship reviews 	<ul style="list-style-type: none"> • Accept position as focal point of contact: be responsible and accountable for two-way contact • Interpret needs of both sides • Map key internal and external contacts in relationship and links • Communicate roles of customer contact points internally and communicate contact strategy • Agree success criteria and objectives for each individual relationship • Co-ordinate/ facilitate achievement of business plan/objectives • Set up and monitor performance
<p>Boundaries Orchestrating cross-boundary, cross-functionally</p>	<ul style="list-style-type: none"> • Create climate and culture for crossing boundaries, rejecting unacceptable behaviour • Recognise and reward collaboration across boundaries • Create processes that allow resources to be accessed, shared or cross charged • Create enterprise wide communication processes 	<ul style="list-style-type: none"> • Understand whole organisation's capabilities, wherever they are • Manage cross-boundary relationships • Relate benefits of customer to whole business and develop cost/benefit analysis to negotiate resources • Consider and consult other departments' capability and commitments before committing to customer • Ensure buy-in from other stakeholders • Co-ordinate resources to deliver business plan • Manage a matrix of contacts in delivery of projects
<p>Process Contribute and implement process improvement for mutual benefit</p>	<ul style="list-style-type: none"> • Be open minded and open to change • Quantify value generated and be prepared to share results of improvement with customer • Provide resources to run improvement projects • Operate process for project prioritisation and establish link to strategy 	<ul style="list-style-type: none"> • Understand company and customer processes • Complete joint value chain analysis seeking mutual benefit • Identify opportunities for improvement • Influence and select correct resources to lead change • Identify and participate in projects to deliver the benefits, and accept accountability for delivery

<p>Planning Delivering the plan and its commitments</p>	<ul style="list-style-type: none"> • Keep plans alive at organisational level • Create climate and culture for delivering plan commitments • Apply transparent prioritisation systems • Identify and reject unacceptable behaviour • Provide appropriate systems to enable metric reporting 	<ul style="list-style-type: none"> • Keep the plan live • Use plan with the customer • Agree frequency and engagement of participants in reviews including customer • Capture and record key information • Review delivery against plan metrics • Take action to correct under-performance
<p>Reporting Providing tailored reporting for mutual benefit</p>	<ul style="list-style-type: none"> • Demonstrate interest in key accounts and requirements for information • Align reporting to strategy and measure against it • Provide cross functional/boundary IT platforms to consolidate and compare MIS • Share best practice in reporting • Provide systems that offer value statement information 	<ul style="list-style-type: none"> • Clarify objectives and identify reporting requirements internally and externally • Manage requests to minimise impact on existing systems • Identify value added (minimise reporting for reporting's sake) • Develop value tangibility/ shared measurement system

4. Key account manager competencies

The role of the key account manager should drive the competency requirement. The tables in the previous section having described the role in some considerable detail, the competencies required to fulfil each element of the role were considered, as in the tables that follow.

The amount of duplication of competencies was much higher than in elements of the role, so although relevant competencies are logged alongside each role element, the most frequently repeated competencies were not captured in every case. As a result, each role element may not be aligned with a comprehensive list of competencies required to fulfil it, although the most important and specific are noted for each.

The twenty-one most frequently cited 'competencies' identified in this project are shown in Table 3. If 'competency' is defined more stringently, what originally was considered to be a list of competencies actually appears to be a fairly balanced list of competencies (total 5), attributes (total 9) and requirements that include both (total 7), which might benefit from further exploration to understand the requirement more precisely (see section 2.4)

Table 3: Most frequently cited competencies and attributes

Competence (C) or attribute (A)?		Competence (C) or attribute (A)?	
Analytical	C/A	Detail management	A
Networking	A	Tenacious	A
Knowledge: company, industry, supply chain etc	C	Problem-solving	C/A
Influencing	A	Drive	A
Financially aware	C	Credibility & experience	C/A
Communication	C/A	Negotiation	C
Politically astute	A	Listening	C/A
Vision & creativity	A	Inquisitive	A
Strategic	C/A	Project management	C
Trustworthy	A	Delegation	C/A
		IT literacy	C

Some parts of the role elements are close to being competencies themselves, and therefore the entries in the competency column tend towards attributes, i.e. the qualities or personal traits which have an impact on how the key account manager fulfils the role.

The tables in this section should perhaps be viewed as prompt lists which explore the mix of competencies and attributes required by key account managers. Companies can use the outputs to stimulate their own thinking on what they want their people to do, and how they want them to address their task, or even use the same process to arrive at competencies via their own view of what they expect key account management to achieve in their organisation.

Identifying the competencies required for key account manager prompts the thought that companies also need specific competencies or capabilities to fulfil their part in KAM, such as joined-up MIS systems to facilitate cross-boundary sharing, for example. That work did not form part of this project, however.

4.1 Competencies required to deliver the strategy

Role of KAM	Role of Key Account Manager	Key account manager competencies/ attributes
<p>Strategy Realising the company's strategy and vision</p>	<ul style="list-style-type: none"> • Understand strategy and vision • Develop aligned strategy for each key customer 	<ul style="list-style-type: none"> • Self-starter, pro-active • Intelligence • Maturity, experienced • Gravitas/credibility/personal presentation • Reputation for fulfilment • Innovative/creative • Vision
<p>Risk Managing major source of risk</p>	<ul style="list-style-type: none"> • Identify market risk • Identify risk relative to customer • Negotiate to mitigate risk 	<ul style="list-style-type: none"> • Can take calculated risk • Financial acumen/ business case • Negotiation
<p>Market insight Giving market insight and reflecting market changes through leading customers</p>	<ul style="list-style-type: none"> • Gathers market intelligence continually • Communicate market intelligence internally to influence future strategy 	<ul style="list-style-type: none"> • Listens/receptive/open-minded • Inquisitive • Analytical/apply process • Sharing • Vision
<p>Alignment Integrating route to market strategy with marketing and product development</p>	<ul style="list-style-type: none"> • Drive customer market development • Identify and develop new opportunities to business case stage • Participate in innovation and offer development process as required • Feed added value back to customer 	<ul style="list-style-type: none"> • Knowledgeable • Innovative/creative • Understands strategy • Networks internally • Sharing • Vision
<p>Value-add Defining and achieving value-add (for customer and for supplier)</p>	<ul style="list-style-type: none"> • Penetrate customer • Understand customer's strategy, business model, their value-add and development • Understands the supplier's position in the customer's business and how the customer quantifies value • Create solutions and aligned value-add for customer • Build interdependence 	<ul style="list-style-type: none"> • Brings value to customer (backed by market intelligence) • Alliance-building • Strategy development • Knowledge of own, customer and industry capabilities and processes • Knowledge of value/supply chain

4.2 Competencies required to work with customers

Role of KAM	Role of Key Account Manager	Key account manager competencies/ attributes
<p>Relationships Develop interdependent relationships</p>	<ul style="list-style-type: none"> • Assess customer willingness for relationship • Identify key decision makers and build knowledge and relationships with them • Develop comprehensive multi-tier interdependent relationships and ensure touch-points work • Use authority/stature appropriately to 'make it happen' for the customer • Build trust between supplier and customer • Keep customer informed about supplier company, market etc. • Resolve disputes • Involve senior people with customer as executive sponsors • Develop relationship governance framework and work within it 	<ul style="list-style-type: none"> • 'Friendly' • Emotional intelligence/empathy • Willing to be highly interactive • Team player • Ambassador for both sides/arbitrator • Integrity/trustworthy
<p>Credibility Providing suppliers' credibility with customers</p>	<ul style="list-style-type: none"> • Believe in company • Represent the company professionally and communicate appropriately • Understand all the supplier's products, capabilities and ways of working and differentiation • Build strong internal framework • Provide evidence to customer pro-actively e.g. instigate shared measurement • Promote credentials of respected individuals internally and externally • Deliver unwelcome messages when necessary at the right time • Identify quality issues, and engage in remedial action 	<ul style="list-style-type: none"> • Listen & communicate • Influence • Builds trust, integrity • Analytical/numerical, research, synthesizes • Vision – creative • Gravitas, inspires confidence • Self-assurance from experience • Networking internally and externally
<p>Capabilities Leveraging range of company's capabilities into customer</p>	<ul style="list-style-type: none"> • Find out and understand full range of company's capabilities and limitations • Avoid alignment with specific part of organisation • Operate and communicate across boundaries • Build contacts with key players in each capability 	<ul style="list-style-type: none"> • Networking • Negotiation skills • Financial awareness • Assertive and co-operative • Communication • Persuasive (internal selling) • Resilience • Inquisitive

<p>Competition Understanding and monitoring competition</p>	<ul style="list-style-type: none"> • Observe competitor activity • Understand competitors in depth • Understand customer's views, engagement with competition and reasons • Collect competitor information using a variety of sources • Share information: provide facts, evaluate, validate, interpret and assess impact • Use variety of sources • Utilise in plans and action for competitive advantage • Take responsibility for sounding alarm at high level when necessary 	<ul style="list-style-type: none"> • Probing skills and inquisitive • Analytical • 'Hacker' • Gall, 'ask the question' • Clarity and judgement • Strategy
<p>Joint development Enable joint development with customers</p>	<ul style="list-style-type: none"> • Has appropriate knowledge of company and products, capabilities and fit with core strategy • Identify opportunities for joint development • Develop business cases • Co-ordinate projects and facilitate customer involvement • Take responsibility for delivery of commitments • Monitor RoI through measurement system 	<ul style="list-style-type: none"> • Passion, drive, enthusiasm • Vision • Strategy development • Able to make/see connections, helicopter view, clarity • Understanding of project management • Prioritisation • Communication • Networking • Facilitation • Joint problem-solving • Understanding marketing strategy and operations
<p>Resources Managing resources at the right level</p>	<ul style="list-style-type: none"> • Develop competencies required • Work effectively with and build the virtual support team • Understand resources and restrictions • Forecast and make business case for resource requirements in key account plan or projects • Deploy the right resources/experts at the right time • Feedback on future demand • Work within agreed boundaries, strategies and resource projections • Negotiate with resource holders/internal suppliers • Monitor use of resources and overall customer P&L 	<ul style="list-style-type: none"> • Able to learn • Open, honest, integrity • Financial awareness • Analytical and sensitive to change in customer • Ability to manage different strategies

4.3 Competencies required to implement KAM effectively

Role of KAM	Role of Key Account Manager	Key account manager competencies/ attributes
<p>Contact Managing effective contact between customer and supplier</p>	<ul style="list-style-type: none"> • Accept position as focal point of contact: be responsible and accountable for two-way contact • Interpret needs of both sides • Map key internal and external contacts in relationship and links • Communicate roles of customer contact points internally and communicate contact strategy • Agree success criteria and objectives for each individual relationship • Co-ordinate/ facilitate achievement of business plan/objectives • Set up and monitor performance 	<ul style="list-style-type: none"> • Communication • Detail management • Networking • Influencing • Taking ownership, being responsible • Two-way delegation
<p>Boundaries Orchestrating cross-boundary, cross-functionally</p>	<ul style="list-style-type: none"> • Understand whole organisation's capabilities, wherever they are • Manage cross-boundary relationships • Relate benefits of customer to whole business and develop cost/benefit analysis to negotiate resources • Consider and consult other departments' capability and commitments before committing to customer • Ensure buy-in from other stakeholders • Co-ordinate resources to deliver business plan • Manage a matrix of contacts in delivery of projects 	<ul style="list-style-type: none"> • Knowledge of company capabilities • Knowledge of industry • Resilience/tenacity • Networking • Impartiality/objectivity • Problem solving • Influencing/motivating • Financial awareness • Project management • Politically astute • Listen, collect information and analyse and communicate clearly • Managing in complexity, dealing with ambiguity
<p>Processes Contribute and implement process improvement for mutual benefit</p>	<ul style="list-style-type: none"> • Understand company and customer processes • Complete joint value chain analysis seeking mutual benefit • Identify opportunities for improvement • Influence and select correct resources to lead change • Identify and participate in projects to deliver the benefits, and accept accountability for delivery 	<ul style="list-style-type: none"> • Broad minded • Knowledge of own, customer and industry capabilities and processes • Knowledge of value/supply chain • Tenacity • Delegation • Problem solving

<p>Planning Delivering the plan and its commitments</p>	<ul style="list-style-type: none"> • Keep the plan live • Use plan with the customer • Agree frequency and engagement of participants in reviews including customer • Capture and record key information • Review delivery against plan metrics • Take action to correct under-performance 	<ul style="list-style-type: none"> • Understanding strategy • Attention to detail • Customer focus • Managing conflict • Analytical rigour • IT/system literacy • Influencing • Preference for action/drive
<p>Reporting Providing tailored reporting for mutual benefit</p>	<ul style="list-style-type: none"> • Clarify objectives and identify reporting requirements internally and externally • Manage requests to minimise impact on existing systems • Identify value added (minimise reporting for reporting's sake) • Develop value tangibility/ shared measurement system 	<ul style="list-style-type: none"> • Detail management • Political astuteness • Knowledge of existing systems and capabilities • Presentation skills/simplify presentation of complex data • Analytical rigour • IT literacy • Value awareness • Understanding & using performance & client metrics

5. Conclusions

One of suppliers' greatest concerns is the identification of the right people for the job of key account manager. Knowing that perfect key account managers are hard to find, they also need to know what to develop in the people they have. This project set out to describe the profile of companies required for key account managers, so that companies could match what they have against what they would like to have, and chart a route to get there.

The project explored a route to the identification of the competencies required by key account managers somewhat different from those normally used. Commonly, competency specifications have been based on existing role models in the company perceived as being excellent individuals, or existing competency frameworks adapted for the new purpose. Both are inappropriate approaches when it is the requirements for operating a new business model that is being considered.

This project therefore took a different course:

- scoping what key account management should do for the supplier
- splitting the different parts of the role into those that are the responsibility of the organisation and those that are the responsibility of the key account manager
- exploring the competencies that key account managers need to fulfil their part of the role.

The process produces a substantial amount of (very relevant) detail, and it should ideally be subject to several iterations in order to reach a high level of comprehensiveness, which the group did not complete. Nevertheless, the project delivered a large part of the framework of competencies and also identified several important aspects in so doing:

- The danger in adapting existing material to describe a new business model.
- The balance between the roles of the organisation and the key account manager in operationalising KAM.
- The parallel between the competencies required so that key account managers can carry out their roles, and the competencies required in the organisation, so that it can carry out its roles.
- A construct that identifies the principle areas of KAM as:
 - Delivering strategy
 - Working with customers
 - Effective implementation.
- The identification of differences between competencies and attributes, both of which are important in KAM.
- The disparity between the importance placed on selling competency by key account or sales directors and the small proportion of the job it appears to represent.

Suppliers can use the outputs of the project directly to help them specify the competencies they require in their key account managers, or they can start with a blank sheet of paper and apply for themselves the process the project followed, which the working group saw as a very valid approach to the need to describe the profile of a key account manager.