The impact of Key Account Management activities on performance

- An exploratory study of activities and organizational aspects

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Preface

During my career, my jobs and interest gradually made a transfer from actively designing technology by myself towards coordinating technology developments and placing these in a broader organizational and market perspective. I performed resource, project, technology and account management activities for several years, and a few years ago I felt the need to gain more theoretical background in management science in order to check where this theory could improve my management skills, which were gained mainly by practical experience. I found that the master degree program in Management science at the Open University Netherlands was a very good way to realize this: The program offered more insight in management control, organization design and the position of the organization in the outside world. I also decided to specialize in change management, which is very important in these times of rapidly changing market and technology environments.

When it was time to start my thesis, I did not have a lot of experience in my current job as key account manager, and I decided to check if I could perform a thesis on key account management so I could use the knowledge to be gathered in my own job as well. I had several discussions with people from the Open University, and finally found in Kees Gelderman an enthusiastic mentor with whom I discussed several topics for investigations, and we finally concluded that key account management activities and their influence on performance is an area that could use more research. I really would like to thank Kees for all the work he put into this, and for making sure I would stay on the right “scientific path”, which is sometimes necessary for a person like me who is often guided by day-to-day practical issues caused by my past and current (sometimes hectic) jobs.

Finding cases in different companies was challenging: It was not easy to find people who were interested in the topic, willing to put time into participating in the discussions, and/or willing to find other participants in their company for the different roles in the cases studies. I finally managed to get participation from two companies with very enthusiastic people, and I really would like to thank everybody involved in these companies for all the effort they put into this.

Finally I would like to thank my wife and two children for giving me continuous support and for making sure I could work undisturbed when it was necessary.

Nico Pol
Eindhoven
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Summary

Problem statement
Buyer–supplier relationships have evolved tremendously due to increased competition, globalization, account concentration, a reduction in the number of suppliers, and a stronger procurement function. Consequently, Key Account Management (KAM) has gained relevance to supplier companies, since KAM includes the performance of additional activities and/or the designation of special personnel direct at the company’s most important customers. As organizations move further towards Strategic Customer Management, it is likely that the familiar structures of marketing and sales will be replaced by process-based structures, in which formalization of KAM should be included.

The literature however shows mixed findings on the effect of formalization on KAM performance: Both positive and negative effects have been found. In order to understand how KAM formalization can increase performance, it is important to know which KAM activities will generate a positive effect on KAM performance. Also, some suggest that various organizational aspects might have a moderating effect on the relationships between KAM activities and KAM performance. Still, much remains unclear about these organizational effects. Therefore, this study has investigated the following problem statement:

What is the influence of Key Account Management activities and organizational aspects on Key Account Management Performance?

The theoretical implication of this research is that it will give insight into which activities in the KAM process increase or decrease the performance of KAM, and will give insight into the moderating factors influencing this. The practical/managerial implication of this research is that it can be used for the structuring of KAM activities in order to enlarge the chance that this structuring will have a positive effect on KAM performance. The research model is the following:

Research method
A comprehensive literature review was carried out in order to design a framework that includes KAM activities, KAM performance and the relationships between these concepts. A qualitative research method with two cases in different companies (a “product company” delivering tangible products to external customers, and a “research company” delivering services to internal customers) has been used in order to collect the data necessary to evaluate, identify and assess relationships in the framework.
Results

First of all the KAM performance indicators were made clear. The conclusion is that for the product company the main performance indicator is sales growth, and for the research company this is customer satisfaction. Looking however at the effect of KAM activities on these performance indicators, for each KAM activity no clear difference was found considering sales growth as performance indicator, or when considering customer satisfaction as performance indicator: In all cases similar results were achieved.

Looking at the activities in KAM as described in the literature, there are 4 main categories of activities:

1. Direct sales activities
2. Sales/marketing alignment activities
3. Customer management activities
4. Customer knowledge management activities

The participants first gave their view on what the main activities per category are, and what the effect of these activities is on KAM performance. Subsequently, for each category they gave their opinion on propositions derived from the literature studies, as well as on organizational aspects influencing these propositions.

An answer to the research question mentioned above has been given with an overview of the following aspects:

- The KAM activities found that actually influence KAM performance
- The influence of these KAM activities
- The way the activities should be performed so as to optimize KAM performance
- The moderators (organizational aspects) that influence the effect of these KAM activities on KAM performance

Per category, the most important conclusions are given below:

1. Direct sales activities: First of all, it is important to identify problems the customer is facing. This information should then be used well in finding solutions to these problems, and based on that the requirements should be defined for the products/services to be delivered to the customer. For this requirement-definition and for the project execution afterwards it is important to get involvement from the whole supplier organization.

2. Sales/marketing alignment activities: It is important to get a “fit” between the supplier company and the customer regarding products, roadmaps and strategy. For the products, there should be a good alignment on product definition, services to be provided to the customer, and price.

3. Customer management activities: It is important to create a good relationship with the customer and to achieve a high degree of customer satisfaction. It should be made sure that the right stakeholders at supplier and customer build a good relationship with each other, and that the whole supplier company is customer focused. The account manager should play a major role in coordinating this, and should have good relational skills.

4. Customer knowledge management activities: No indications were found that the use of a key account customer database has a positive influence on performance. Letting the account
**Recommendations for practitioners**

Based on the results of this study, a number of guidelines can be provided on how companies should formalize KAM. The activities with a positive influence on KAM performance and the way they should be performed, can be considered to put in procedures. The following KAM activities should especially be considered for formalization:

- KAM activities that improve the relationship with the customer
- KAM activities that help gathering customer knowledge and actively deploy this in the supplier company
- KAM activities that help to get a “fit” between the supplier company and the customer regarding products, roadmaps and strategy

Additionally, some non-KAM activity aspects can also be considered in order to improve KAM performance:

- Make sure there is enough management involvement (in customer contacts, and to motivate the account managers)
- Adapt the organization structure in order to get more marketing/sales integration and enough power for the account manager
- Make sure the account manager gets proper incentives coupled to desired KAM performance indicators
- Make sure the account managers have the right capabilities by hiring and training accordingly

Companies should pay attention that there are important moderating factors (such as the native company’s competition and the success of the customer) influencing the effect of these KAM activities and non-KAM activity aspects on performance.

**Recommendations for further research**

The results in this research project were gained by small-scale qualitative research. In order to get more insight into the general validity of these results, more quantitative research on a bigger scale is recommended.

Further in the literature, the importance of using a customer knowledge database was indicated. However, the results of this research project indicated that when the account manager actively deploys customer knowledge in the native organization, this will have a better effect than using such a database. This could be investigated further by quantitative research to verify this, or by qualitative research to explore this further.
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1 Introduction

1.1 Problem statement

Buyer–supplier relationships have evolved tremendously during the past decade and a half, due to increased competition, globalization, account concentration, a reduction in the number of suppliers, and a stronger procurement function. Consequently, Key Account Management (KAM) has gained relevance to supplier companies (Guesalaga & Johnston, 2010), since KAM includes the performance of additional activities and/or designation of special personnel direct at the company’s most important customers (Workman, Homburg & Jensen, 2003; Richard & Jones, 2009; Ivens & Pardo, 2008). KAM has the ambition to create a competitive advantage through a well established long-term relationship (Gosselin & Heene, 2003).

As organizations move further towards Strategic Customer Management it is likely that the familiar structures of marketing and sales will be replaced by process-based structures that focus on value creation around carefully selected customer groups (Piercy, 2006). Storbacka et al. (2009) found that that sales is changing from a function to a process, which means a transfer of sales as an independent function to sales as a pivotal part of a long term process of customer management. According to Storbacka et al. (2009) more research is needed into how these sales processes work and what makes them successful.

Workman et al. (2003) define KAM performance in terms of achieving better relationship outcomes for key accounts, compared to average accounts.

Workman et al. (2003) reported that formalization has a significant negative effect on KAM effectiveness and indirectly on performance in the market and profitability. Formalization relates to the extent to which an organization has established policies and procedures for handling its most important set of customers. They suggest that the negative effect may be caused by more bureaucracy, less flexibility, less ability to customize offers to specific customers, and increased costs due to administrative costs or dedication of the best salespeople to these accounts when they might be more productively used elsewhere. They claim that the intensity and pro-activeness of the KAM activities are more important than formalization. However they do not indicate for what kind of activities the structuring has this negative effect.

Storbacka et al. (2011) indicate the importance of sales target setting, customer acquisition, customer prioritization, opportunity generation and forecasting. They found a positive relationship between sales process definitions (related to solution sales) and sales performance, however without giving proof for the positive effect of the individual activities mentioned above on performance.

Workman et al. (2003) and Storbacka et al. (2011) have used different sets of variables for the explanation of KAM performance, leaving room for research to the effects of activities on KAM performance.

In order to know how KAM formalization can increase performance, it is important to know which KAM activities will generate a positive effect on KAM performance. Zupanic (2008) supports the call for more
research, pointing at the importance of knowing which process elements (of his integrated KAM framework) has the strongest impact on performance. Also as direction for future research is mentioned by Workman et al. (2003) that their model focuses on direct effects on KAM effectiveness, and that there may be moderators that affect the strengths of the constructs used in their model on KAM effectiveness. Malshe & Sohi (2009) suggest further research in the moderating effect on the Sales-Marketing strategy making process of extraneous factors (such as competitive intensity, environmental/technological uncertainty or relationships with customers or supply chain members) and intra-organizational factors (such as organizational culture, or the relationship between sales and marketing). This study will investigate therefore the following problem statement:

What is the influence of Key Account Management activities and organizational aspects on Key Account Management Performance?

This research project will therefore focus on KAM activities, and what makes them successful. The theoretical implication of this research is that it will give insight in which activities in the KAM process increase or decrease the performance of KAM, and will give insight in the moderating factors influencing this. The practical/managerial implication of this research is that it can be used for the structuring of KAM activities in order to enlarge the chance that this structuring will have a positive effect on KAM performance.

The research model will then look like this:

```
KAM activities ------------> KAM performance

Organizational aspects
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Figure 1: Research model influence KAM activities on KAM performance

1.2 Research method

A comprehensive literature review will be carried out in order to design a framework that includes KAM activities, KAM performance and the relationships between these concepts. The framework will allow for direct, mediating and moderating relationships. This framework is the basis for the empirical part of the study. A qualitative research method will be used in order to collect the data, necessary to evaluate, identify and assess relationships in the framework. Two cases in different companies have been included in the research design.
2 Literature review

2.1 Key Account Management

The specificity of what is done for a customer by a supplier implementing a Key Account Management program seems to have always been at the core of the definition of Key Account Management (Ivens et al., 2008).

An often quoted definition of KAM is the following: “The performance of additional activities and/or designation of special personnel directed at an organization’s most important customers” (Workman et al., 2003; Richards et al., 2009; Ivens et al., 2008).

Following Piercy & Lane (2006), for purpose of discussion the terms Key Account Management, Strategic Account Management, Global Account Management and National Account Management will be regarded as interchangeable.

2.2 KAM performance

In a few cases in the literature descriptions or definitions are provided of what makes KAM successful: Zoltners, Sinha & Lorimer (2008) state that the concept of “sales force effectiveness” is not well defined, having different meanings for different people: It could be related to added value for customers, increased sales force morale, increased sales force competency, increased sales or lower sales cost. Zoltners et al. (2008) also describe drivers of sales force effectiveness on “Customer Results” (solutions, satisfaction, delight, sustainable/profitable relationships), which then should contribute to “Company Results” (sales, profit, market share).

Piercy (2006) talks about effectiveness of the sales organization in implementing business strategy and meeting organizational goals. “Traditionally management attention has focused on outcome performance as the main indicator of sales organization effectiveness (i.e., salespeople meeting sales volume and revenue targets). However, if strategy requires the development of closer customer relationships and the implementation of a value-based strategy, then salesperson behavior performance may be a more productive point of focus than is outcome performance (i.e., not simply what salespeople sell, but the behaviors they undertake to achieve their goals and to build customer relationships).” (Piercy, 2006, p. 16)

Bhattacharya, Gibson and Doty (2005) talk about firm financial performance, and combine the effects of productivity, profitability, and cost-efficiency in the operational definition of this. Shi, Zou & Cavusgil (2004) divide Global Account Management performance in Joint Profit Performance (referring to an above-normal profit generated by the joint efforts of the two organizations, which cannot be produced by either organization independently) and Dyadic Competitive Advantage (referring to strategic outcome earned from the dyadic relationship which enables this specific dyad to outperform competitive dyads).

Richards et al. (2009) define Key Account performance as the extent to which the focal Key Account is meeting the financial objectives of the firm. According to Zoltners et al. (2008) in a successful sales system, salespeople characteristics (such as product and market knowledge, skills, motivation) have influence on the ability to create customer results (such as satisfaction and sustainable relationships),
which in their turn have influence on company results containing financial objectives such as sales, profit and market share, which is also the core of Richards et al.’s (2009) definition. Based on this, in this research project the key performance indicators will be derived from sales, profit and market share. Looking then at the research model in figure 1, the question would be if a specific KAM activity would result in sales growth, profit growth and/or market share growth. This means that sales growth, profit growth and market share growth could be the performance indicators to be used in this research project.

2.3 KAM – activities vs. processes

This research project will focus on KAM activities, but as can be seen later in this chapter also often the word “process” is used in the literature. A definition of a business process is: A structured, measured set of activities designed to produce a specified output for a particular customer or market (Davenport, 1993). Activities are therefore part of a process, so in case the literature describes the effect of KAM processes on performance, this effect can be regarded as the consequence of the activities involved in that process. Any influences of KAM processes on performance described in the literature will therefore be included in the literature study.

2.4 Theoretical framework

Looking at the activities in KAM described in the literature, there are 4 main categories of activities that can be found:
1. Direct sales activities
2. Sales/marketing alignment activities
3. Customer management activities
4. Customer knowledge management activities

For each of these 4 items, in this paragraph a description is given about what has been found in the literature. For every item, based on these findings, a high level overview is given in sub-categories in order to give an impression of the kind of activities in the categories.

2.4.1 Direct sales activities

Üstüner & Iacobucci (2012) state that the sales process is defined by the extant sales literature as a dyadic process between the sales person and the customer. Storbacka (2012) states that the sales process turns value propositions into orders. Salespeople’s activities are typically organized into a sales process that includes steps such as lead generation, needs analysis, solution development, proposal presentation, negotiation, installation, customer service, and account maintenance/expansion. (Zoltners et al., 2008, p. 119). Storbacka (2011) states that in the solution selling process there are four highly interconnected and iterative phases: Develop solutions (combining customer insights and firm resources in order to create a solution portfolio),
create demand (communicating about the available solutions in order to identify sales opportunities), sell solution (engaging in a process that turn opportunities into orders for customer specific solutions) and deliver solution (delivering the solution and securing long-term value creation for customer and value capture for provider).

Storbacka et al. (2011) state that solution sales has the following sequence: requirements definition, customization and integration of bundles of products and services, deployment of solution and post-deployment support.

Üstüner & Godes (2006) view the sales process as four distinct stages: indentifying prospects, gaining buy-in from potential customers, creating solutions and closing the deal.

Üstüner et al. (2012) have done extensive sales literature studies regarding the various sales tasks. They state that rather focussing on all potential sales tasks it is better to focus on the three main sales tasks that are included in most sales process models in the literature: opportunity-identification, solution-creation, and closing the deal. Since all sales process activities described in this paragraph can be put into one of these three categories, these three steps will therefore be used in the sales category overview in figure 1.

“Powerful customers increasingly demand problem-solving and creative thinking about their business, requiring the commitment of, and access to, the supplier’s total operation” (Piercy, 2006, p. 13). Storbacka et al. (2009) state that in order to ensure customer profitability, the account manager should integrate and reconfigure resources form other functional departments (besides marketing) to satisfy customer requirements. They state that there should be a transfer into an integrated sales department with links to other activities such as finance, marketing and operations. Also Abratt & Kelly (2002) state that all levels of various departments, such as manufacturing, distribution, procurement, marketing and sales should be involved in the implementation of the KAM program. Storbacka et al. (2011) state that the sales process encompasses functions other than sales and that many firms are involved in developing information technology support for their solutions sales process. Storbacka (2012) states that the role of the account management process is to secure the delivery of the agreed value proposition, for which encounters are required with different functions and on different organizational levels.

The conclusion is that as part of the sales activities there should be the alignment with other functional areas about financial, product development, manufacturing, procurement, information technology and logistic aspects. This step will be added to the 3 steps mentioned by Üstüner et al. (2012) in the Direct sales activities category overview in figure 2.

![Figure 2: Direct sales activities category overview](image-url)
2.4.2 Sales/marketing alignment activities

Piercy (2006) states that besides selling the company to the customer (external marketing process), a role of the strategic sales organization is to also sell the customer to the company (internal marketing process), as an activity that parallels conventional sales and marketing processes. Hsieh and Chou (2011) mention that activities for key accounts should be product related (customizations of products), service related (customization of services), and price related (special pricing for key-customers). Shi et al. (2004) state that Global Account Management also includes global pricing. These activities must be well aligned between sales and marketing, and will be included in the Sales/marketing alignment activities category overview in figure 3.

![Figure 3: Sales/marketing alignment activities category overview](image)

2.4.3 Customer management activities

According to Hsieh & Chou (2011), KAM is a process in which a supplier identifies, analyzes, and selects suitable strategies for the key account. From a dyadic buyer-supplier point of view, they divide KAM activities into 3 phases: Exploration (initiation of the relationship), Build-up (enforcement of contract) and Maturity (maintaining a valuable relationship) in the development of the relation with the customer. Reinartz, Krafft & Hoyer (2004) define the following primary dimensions of Customer Relationship Management: Relationship initiation (a.o. acquisition), Relationship maintenance (a.o. retention) and Relationship termination (a.o. exit management). Aspara (2011) has shown that explicit mapping and documentation of Customer Management processes can be a beneficial way to increase the effectiveness of the firm’s marketing/sales organization and profitable sales growth. He also claims that Customer Acquisition and Customer Retention are the two most important domains of Customer Management. This is also in line with the other articles mentioned above, and therefore these two elements will be used in the Customer management activities category overview in figure 4.

![Figure 4: Customer management activities category overview](image)
2.4.4 Customer knowledge management activities

Hughes, Le Bon & Malshe (2012) look at Customer Relationship Management (CRM) from a knowledge management point of view: “CRM entails that the firm be able to collect vital customer information, store and analyze it, and customize its offerings and contact patterns in ways that benefit the firm and customer. CRM processes require that the firm (1) regularly capture customer data, (2) manage the databases using analytical tools to derive key insights, and (3) forecast future customer demand patterns and deploy crucial organizational resources to serve its customers better.” (Hughes et al., 2012, p. 67). They also claim that CRM reaps many benefits such as a.o. firm performance. Salojarvi et al. (2010) state that firms tend to be better at acquiring customer knowledge than utilizing it. They claim that most firms are lacking systematic processes for managing and utilizing customer knowledge, and that this knowledge tends to be fragmented across multiple systems and locations (also because of multiple contact points between the supplier and the account), making it difficult to integrate into consistent customer profiles. They divide knowledge management into three distinct processes namely knowledge acquisition, knowledge dissemination and knowledge utilization. Especially knowledge utilization should provide tangible benefits for the firm: It lays the foundation for all strategic decision making concerning the key account relationship. Customer knowledge is needed in order to construct customer profiles, design account specific organizational structures and selling processes and identifying new opportunities and products or services. Since knowledge acquisition, knowledge dissemination and knowledge utilization also cover the activities mentioned above by Hughes et al. (2012), these three steps will be used in the Customer knowledge management activities category overview in figure 5.

![Customer knowledge management activities category overview](image)

Figure 5: Customer knowledge management activities category overview

2.5 Effect KAM sub-processes on performance

In this paragraph a description is given of what has been found in the literature about the effects of the activities of the KAM categories (as described above) on performance. In case conditions have been found which influence these effects on performance, these are also described.

2.5.1 Effect Direct sales activities on performance

Piercy (2006) states that “Powerful customers increasingly demand problem-solving and creative thinking about their business, requiring the commitment of, and access to, the suppliers total operation”. Abratt et al. (2002) show the importance of identifying problems at the customer and providing solutions to these, as well as understanding the customer’s main concerns.
Üstüner et al. (2012) state that it is important for effectiveness in opportunity-identification to gather information about the requirements of potential customers and the kind of products they are looking for. Workman et al (2003) have shown that activity intensity, which they define as the extent to which more activities (such as product, pricing, promotion and place related activities, communication and information sharing) are done for key accounts compared with average accounts, has a positive relation with KAM effectiveness. Workman et al (2003) indicate that higher levels of activity intensity bring a number of benefits to key accounts. First, it is a sign of supplier commitment, which can deepen the trust with the account. Second, by doing special things for key accounts (e.g., product adaptation, integrated logistics systems), customers may reduce their cost structure and improve their efficiency. Third, activity intensity can lead to improved effectiveness and competitive position for key accounts and can help them compete in their markets. Finally, activity intensity can improve communication between the firms.

Workman et al (2003) also have shown that activity pro-activeness, which is defined as the extent to which the supplier initiates activities, has a positive relation with KAM effectiveness. As first advantages they mention the first mover advantage. By proactively forming close relationships, suppliers have the opportunity to learn about trends in the market and have the opportunity to sense sources of conflict earlier and develop appropriate responses. A second advantage of pro-activeness is that firms have more control and more degrees of freedom concerning what they will do for key accounts. By being proactive, they can design activities in a way that matches their interests and capabilities.

The conclusion is that the following Direct sales activities are expected to have a positive influence on KAM performance:

- Identification of problems the customer is facing (related to what the supplier can do to solve these)
- Propose and implement solutions to solve these problems
- Focus on having a big quantity of customer related activities
- Pro-actively initiate customer related activities

Looking at the research model in figure 1, (so focusing on the KAM activities that affect KAM performance) the following proposition can be made:

- Identification of problems the customer is facing and providing solutions to solve these problems has a positive effect on KAM performance.

2.5.2 Effect Sales/marketing alignment activities on performance

Shi, White, Zou & Cavusgil (2010) have shown that marketing activities standardization towards a multinational customer has a positive effect on Global Account Management performance: In a homogeneous market where consumers demand high-quality products at low prices, marketing activities standardization helps to achieve a low-cost position and to offer consistent services to the customer. As stated before: Hsieh et al. (2011) mention that activities for key accounts should be product related (customizations of products), service related (customization of services), and price related (special pricing for key-customers).
“The sales–marketing interface (SMI) has received increasing attention in both the academic literature and popular press. Empirical evidence shows that a strong SMI can be advantageous to a firm” (Hughes et al., 2012, p. 57). “The marketing department through its market research activities and the sales force through its direct customer contacts serve as repositories of crucial customer and competitive intelligence (Hughes et al., 2012, p. 61). “If marketing wants us to be fully on board, they must include us in the decision-making processes. Unless we have a voice in company’s decisions, we feel excluded . . . and that is not a good feeling to have as a salesperson.” (Hughes et al., 2012, p. 62).

Storbacka et al. (2011) have shown that strategy planning has a positive indirect relation with sales performance. Malshe et al. (2009) propose that market strategy making across the sales-marketing interface is a three stage process, consisting of Groundwork (formal and informal conversations about the current market conditions and the upcoming strategies), Transfer (Formal meeting during which marketing hands over the strategy to sales) and Follow-up (of agreed activities and strategy changes for both marketing and sales functions). It is important that both sales and marketing functions remain involved during all 3 stages. Malshe et. al.(2009) claim that for the Groundwork stage it is important for the marketing manager to seek feedback from the regions, to form sales-marketing joint strategy review panels (including data analysis and brainstorm of new ideas), and to test the strategy in the regions. For the Transfer stage it is important to have an extensive (three day) meeting in which sales people are involved and tactical (sales) plans are made in this meeting and jointly reviewed. For the Follow-up stage it is important that Marketing writes down the strategy and action plans, have conference calls with regions and give marketing support in case of problems.

The conclusion is that the following Sales/marketing alignment activities are expected to have a positive influence on KAM performance:

- Alignment on special marketing activities (esp. Product, Price, Service) for key accounts.
- Strategy planning in which included are a good preparation phase in which marketing involves sales, an extensive strategy transfer phase between marketing and sales, and a proper follow-up phase where marketing will support sales

Looking at the research model in figure 1, (so focusing on the KAM activities that affect KAM performance) the following proposition can be made:

- A well defined alignment of product, price and service for key accounts has a positive effect on KAM performance.

2.5.3 Effect Customer management activities on performance

Storbacka et al. (2009) state that as customers become more sophisticated and better informed, the sales process is much less about selling a product and much more about creating a relationship. Jones, Dixon, Chonko & Cannon (2005) state that customer satisfaction is an important driver to reach positive firm outcomes. Abratt et al. (2002) state that key accounts must be correctly identified, not only on size or volume, but also on strategic issues. Piercy et al. (2006) state the importance of a proper customer classification: in case this is not done properly, it can lead to unproductive investments and diverting attention from developing new and profitable accounts.
Aspara (2011) has shown that there are significant (direct and indirect) negative relations between the degree of documentation of customer retention processes, and profitable sales growth. However, he has also shown that there are significant direct positive relations between the degree to which customer retention processes facilitate customer-facing personnel's daily work, and profitable sales growth. For customer acquisition processes, he found that for both the degree of documentation and for the degree to which customer acquisition processes facilitate customer-facing personnel's daily work, there are significant (direct and indirect) positive relations with profitable sales growth. He also showed that there are significant positive relations between the participation of both marketing and sales personnel in the customer management process development, and profitable sales growth. “In practice, then, it is important that the documented CM processes do not remain merely abstract frameworks or models – which lack touch with the customer-facing personnel’s daily reality – but serve as systematic instructions for the personnel’s day-to-day work. …… Moreover, it should be noted that our results warn against excessive focus on mapping customer retention processes – and against ignoring customer acquisition processes. ……..The results also stress the importance of continuous efforts to develop the customer acquisition and retention processes – on the basis of what the organization learns in its daily activities about customers’ behaviour and responsiveness to certain CM activities.” (Aspara, 2011, p. 278).

The conclusion is that the following Customer management activities are expected to have a positive influence on KAM performance:

- Focus on creating a relationship and increasing customer satisfaction
- Focus on proper customer identification and classification
- Make sure both marketing and sales are involved in customer management
- Make sure customer management process descriptions facilitate the customer-facing personnel’s daily work.

Looking at the research model in figure 1, (so focusing on the KAM activities that affect KAM performance) the following propositions can be made:

- Putting effort in creating a relationship and increasing customer satisfaction has a positive effect on KAM performance.
- Proper customer identification and classification has a positive effect on KAM performance:

2.5.4 Effect Customer knowledge management activities on performance

Jones et al. (2005) state that knowledge management is an important driver to reach positive firm outcomes. According to an inventory at sales executives done by Zoltners et al. (2008), data & tools/customer relationship management is one of the four strongest effectiveness drivers in the sales force.

Lane & Piercy (2009) indicate that the new strategic sales focus should be more on opportunities to make the customer more competitive in end-use markets.

“If the seller cannot bring added-value to the relationship by identifying new opportunities for the buyer to gain competitive advantage in the end-use marketplace, then the seller is no more than a commodity supplier, and can be treated as such (the product is likely to be bought only on price and technical
specification). ....... in many situations now faced by suppliers, strategic customers demand that the seller displays not simply a superior understanding of the customer’s own organization, but detailed and insightful knowledge of the customer’s end-use markets. The strategic sales role is becoming one of deploying end-use market knowledge to enhance the customers’ competitive position and cost efficiency. .......the corresponding challenge for the reformed sales organization is to develop, deploy and sustain new skills and capabilities in market sensing.” (Piercy, 2006, p. 12-13).

Le Meunier-FitzHugh et al. (2007) have shown that market intelligence is positively associated with collaboration (mutual understanding, common vision and information sharing/building) between sales and marketing functions, mediated by organizational learning.

Abratt et al. (2002) mention that in order to understand the customer and their main concerns, problems and strategic issues, it is necessary to record their main concerns, problems and strategic issues in key account customer databases.

Salojarvi et al. (2010) found that formalization is positively related to the generation, dissemination of, and responsiveness to market knowledge, and it also enhances the use of market knowledge: "It signals the special status of KAM to the employees, and thus channels them to utilize customer-specific knowledge instead of knowledge about faceless markets. It should nevertheless be kept in mind that excessive formalization (such as placing restrictions on the type, amount and source of knowledge utilized) could decrease flexibility and thus hamper the creation of value for the customer." (Salojarvi et al., 2010, p. 1399). Salojarvi et al. (2010) also state that when rules are properly designed, they may facilitate rather than hinder market orientation.

"As firms begin to implement CRM initiatives, the responsibility of collecting customer data and purchase patterns and feeding it into CRM database falls upon salespeople, who are not excited about these tasks because they take time away from selling........ A typical salesperson is going to look at the CRM system and then try to find out as many ways as he/she can so they don’t have to do data entry, fill forms, update customer information etc……. Further, salespeople feel a sense of ownership of their customer knowledge that they have developed over time, which makes them scarcely willing to share customer details with marketers. They may fear that sharing customer information with corporate marketers may render them redundant. Hence, they may resist supplying the firm with key customer data points and inputting customer data into the CRM systems on an ongoing basis." (Hughes et al. 2012, p. 67)

The conclusion is that the following Customer knowledge management activities are expected to have a positive influence on KAM performance:

- Gather knowledge about end-use markets in order to identify opportunities at the customer
- Use key account customer databases, however make sure to stimulate people to submit information in the database and to avoid excessive formalization
- Make sure sales and marketing are involved in Customer knowledge management activities

Looking at the research model in figure 1, (so focusing on the KAM activities that affect KAM performance) the following propositions can be made:

- Gather knowledge about end-use markets in order to identify opportunities at the customer has a positive effect on KAM performance.
2.6 Effects of non-KAM related aspects on KAM performance.

In the literature a lot of effects on KAM performance can be found which are not directly related to the KAM activities. It is still important to describe these effects well because they can have a moderating (as can be seen in the conceptual model in figure 6) on the effect of KAM activities on performance.

In this paragraph a description is given of these effects, clustered in management involvement, cross-functional alignment, organization structure, capabilities, and behaviour. In case conditions have been found which influence these effects on performance, these are also described.

2.6.1 Management involvement

Salojarvi et al. (2010) have shown that top management involvement is positively related to customer knowledge utilization. “In showing commitment to the program top management also communicates the importance of customer knowledge utilization as a basis for the strategic management of the key account relationship. Moreover, top management has an essential role in determining what knowledge is required in the decision-making. Its support also helps to prevent potential problems related to the organization-wide integration of customer-specific knowledge.” (Salojarvi et al., 2010, p. 1399)

Workman et al. (2003) show a positive relation between top management involvement and performance, and states that top management involvement is more important than formalization of the KAM approach. Piercy (2006) states that sales manager control activities have a positive influence on salesperson outcome performance, and an indirect positive influence on sales organization effectiveness. He also states that without active top management support for closer cross-functional relationships, it is unlikely that they will happen. Malshe et al. (2009) state that marketing managers should be involved in all stages of the marketing strategy making process in order to make the strategy and implementation successful. “An empowering vision motivates employees to engage in behaviours that lead toward a common cause, facilitating cooperation and transcending power and competition” (Hughes et al., 2012, p. 61)

The conclusion is that there are many indications that that management involvement has a positive effect on the KAM performance. Carrying-out the vision and motivate account managers accordingly is important in this.

2.6.2 Cross-functional alignment

Workman et al. (2003) show a strong positive relation between access to marketing/sales resources and performance. They state that related to this, internal selling within their own organization is often more important than external selling in the customer organization. Üstüner et al. (2012) show that for effectiveness in opportunity-identification, social (enjoying each-others company) networks as opposed to
work (functional) networks are most instrumental; for effectiveness in solution-creation, work networks rather than social networks are more critical; and for closing the deal, both work networks and social networks are important.

Le Meunier-FitzHugh & Piercy. (2007) have shown that collaboration (mutual understanding, common vision and information sharing/building) between sales and marketing functions is positively associated with business performance.

“The study finds that effectiveness of the linkage between marketing and sales requires strong communication. Often one sees marketing and sales professionals talking past one another – they are not aligned on the definition of key terms, concepts, the nature of their practice. Firms which pay attention to training and alignment on language achieve better results.” (Oliva, 2006, p. 395)

“Conversely, there is no question that, when Sales and Marketing work well together, companies see substantial improvement on important performance metrics: Sales cycles are shorter, market-entry costs go down, and the cost of sales is lower” (Kotler, Rackham & Krishnaswamy, 2006, p. 3). They also state that unaligned marketing and sales functions are often conflicted.

Storbacka et al. (2011) have shown that Sales model design (including product configuration and pricing) have a positive indirect relation with sales performance. Storbacka et al. (2009) state, based on various sources in the literature, that the relationship between sales and marketing would be beneficial to the organization in terms of improved business performance.

“Sales and marketing must transmit market information to departments as diverse as finance, accounting, manufacturing, human resources, and R&D to ensure that firm responds collectively to the market information.” (Hughes et al., 2012, p. 63)

Malshe et al. (2009) state that inter-functional communication, coordination and collaboration play a crucial role in marketing strategy making. “The involvement of the sales organization in strategic decision making, based on participation in key sense-making and decision making processes, is an important precursor to strategic sales development.” (Piercy, 2006, p. 12).

The conclusion is that there are many indications that that cross-functional alignment has a positive influence on KAM performance. Involvement of KAM personnel in the decision making process of other departments is important.

2.6.3 Organization structure

Salojarvi et al. (2010) have shown that the use of teams is positively related to customer knowledge utilization. “In general, key account teams have been found to improve the coordination of all activities involved in dealing with the account. The results of our study suggest that the use of teams not only facilitates the coordination and integration of customer knowledge across functional and (geographical) borders, it also enables its more effective utilization organization-wide.” (Salojarvi et al., 2010, p. 1399)

Workman et al. (2003) suggested that the use of teams has a positive influence on performance, however they found no evidence for this hypothesis.

“Organizational approaches which favour “mixing” marketing and sales, joint meetings and contact, joint sales calls, and a reduction of the boundaries between marketing and sales seem to produce more
favourable results.” (Oliva, 2006, p. 395). Rouzies, Anderson, Kohli, Michaels, Weitz & Zoltners (2005) suggest that the greater the level of marketing-sales integration, the higher the business performance. They also suggest that the use of cross-functional teams has an (indirect) positive effect on business performance. Piercy (2006) states that cross-functional teams around important projects and processes may achieve a focus on jointly solving problems and effective execution.

Ivens et al. (2008) claim that it might well be that for an account manager to be effective, a certain amount of power is required, otherwise his dependence on colleagues’ goodwill might be too high. A hierarchical link between the key account manager and other team members might be a solution for this, but is only used in less than one third of KAM teams according to Ivens et al. (2008).

Reinartz et al. (2004) claim that implementation of customer relationship management processes is more likely to improve performance when the company develops an organizational scheme to support customer relationship management compatible behaviour. According to an inventory at sales executives done by Zoltners et al. (2008), sales force design/structure & roles is one of the four strongest effectiveness drivers in the sales force.

(Kotler et al., 2006) describe that when IBM integrated its sales and marketing groups to create a new function called Channel Enablement, substantial improvements on important performance metrics (as described in the previous paragraph) were made. They also state that fully integrated marketing-sales functions are usually conflict-free.

The conclusion is that there are indications that optimizing the organization structure for account management has a positive effect on KAM performance. Marketing-Sales integration and making sure that the account manager has sufficient formal or informal power is important in this.

2.6.4 Capabilities

Üstüner et al.(2012) found in the sales literature that effectiveness in sales depend on a.o. the salesperson’s personal resources, selling skills, cognitive abilities, personality, educational background and experience. They also state that knowledge is becoming an explicit part of the market offering: Customers derive value from knowledge and are willing to pay for this.

Piercy (2006) states that salesperson characteristics have a positive influence on salesperson outcome performance, and an indirect positive influence on sales organization effectiveness. Storbacka et al.(2011) have shown that capabilities and skills have a positive indirect relation with sales performance. Bhattacharya et al. (2005) have shown that employee skill flexibility is positively related to firm financial performance: When the need arises, the firm may reorganize its employees to achieve the desired skill profile to fit with the changed demands.

“Key account managers should be highly skilled and competent in areas of negotiation, managing relationships, finance and marketing.” (Abratt et al., 2002, p. 475). They say this will also help in building up trust.

“In today’s competitive world, knowledge differentiates our salespeople from competition. Sales processes are changing, and when you are in a consultative sales environment, you need to have an in-depth
knowledge of your products and what value they offer because your customer is going to quiz you forever..... and you cannot tell him/her that you are not sure” (Hughes et al., 2012, p. 61-62)

The conclusion is that there are many indications that capabilities have a positive influence on KAM performance. Knowledge about own- and customers products, finance and marketing; cognitive abilities; selling skills; negotiation skills; managing relationships; personality; educational background and experience are important.

2.6.5 Behaviour

Workman et al. (2003) show a positive relation between KAM team esprit de corps and performance, and state that KAM team esprit de corps is more important than formalization of the KAM approach. They also found strong evidence that intensity and pro-activeness of KAM activities have a positive influence on performance: Sales managers should not wait for customers to request special treatment, but should be proactive. Piercy (2006) states that salesperson behaviour performance has a positive influence on salesperson outcome performance, and an indirect positive influence on sales organization effectiveness. Ivens et al. (2008) claim that it might well be that for an account manager to be effective, a certain amount of power is required. In most cases the power is conferred by individual behaviours, charisma, career path in the firm, ect.

Guenzi, Georges & Pardo (2009) define trust as the customer’s belief that the account manager can be expected to show reliability, integrity and forbearance from opportunism in future interactions. They show that there is a positive relation between the account managers role performance (including solving the customer’s problems, developing strategic plans and enhancing outcomes) and trust. Üstüner et al.(2012) found in the sales literature that effectiveness in sales depend on a.o. the salesperson’s motivation, role perceptions, and aptitude. They also say that trust gives access to fruitful sales-related information. Abratt et al. (2002) mention that both supplier and their key account customers view trust as a key success factor.

Bhattacharya et al. (2005) have shown that employee behaviour flexibility is positively related to firm financial performance: flexibility is valuable because the organization is spared the cost of non-adjustment to changed situation, and it enables the firm to deal with a variety of situations. They also show that HR practice flexibility (such as flexibility in employee compensation plans) is positively related to firm financial performance.

Oliva (2006) states that sales forces are “coin operated” and “do what they are paid to do”: If marketing plans are not tuned into sales force compensation, the result is usually nothing more than internal friction. Rouzies et al. (2005) suggest that the use of incentives requiring the achievement of integrated goals has an indirect positive effect on the business performance. They also suggest that organizational cultures with norms of sharing and adapting have an indirect positive effect on the business performance.

According to an inventory at sales executives done by Zoltners et al. (2008), Compensation / Incentives / Motivation programs are the strongest effectiveness driver in the sales force, while performance management & measurement is the third strongest.
Reinartz et al. (2004) claim that implementation of customer relationship management processes is more likely to improve performance when the company develops an incentive scheme to support customer relationship management compatible behaviour.

The conclusion is that there are many indications that behaviour (such as showing reliability, integrity, flexibility and forbearance from opportunism) has a big influence on KAM performance, especially behaviour that influences trust. The intensity and pro-activeness of behaviour is important in this. To make sure the desired behaviour is achieved, proper incentives are important.

2.7 Conclusion and path of further investigations

In table 1 a summary has been made of the literature investigation results for the direct influences on KAM performance. For the non-KAM related aspects also the influences on the 4 activity categories are given, which later might be useful to determine the moderating factors on the relation between KAM activities and KAM performance. In this table references have been made to the literature list by indicating a 1 to 3 letter/digit code between brackets. For the combinations for which nothing specific has been found in the literature, expectations have been included based on what has been found in the literature for other combinations.

As can be seen in table 1: For the direct influences of the 4 KAM activity categories there are certain activities suggested that have a positive effect on KAM performance.

Looking at effect of the non-KAM related aspects on KAM performance and on the 4 KAM activity categories, it seems that management involvement, cross-functional alignment, organization structure, capabilities and behaviour all have clear positive effects.

In the empirical part of the study it could be investigated what is exactly understood under KAM performance. Also per KAM category it could be verified whether the earlier suggested KAM activities really have a positive influence on KAM performance or not, and also other KAM activities with a positive influence on KAM performance could be explored. Also the influence of the way these activities are performed could be explored. Finally the influence of the earlier described moderating factors on the effect of KAM activities on KAM performance could be verified, and also other moderating factors on KAM performance could be explored.

However, looking at the research model in figure 1, with activities in 4 categories of KAM activities, 5 kinds of moderating factors and 3 kinds of KAM performance indicators, the number of combinations that would need to be investigated would be too much. Therefore in empirical part of this research project the focus will be on the direct effects of KAM activities on KAM performance. The moderating factors will be handled in one single proposition that assumes that organizational aspects have a moderating effect on the influence of KAM activities on performance. This also leaves room for the exploration of other moderating factors.

This results in the conceptual model as given in figure 6.
<table>
<thead>
<tr>
<th>Management involvement</th>
<th>Direct sales activities</th>
<th>Sales/MKT alignment activities</th>
<th>Customer management activities</th>
<th>Customer knowledge management activities</th>
<th>Effect on KAM performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive effect expected</td>
<td>Positive effect (MS)</td>
<td>Positive effect expected</td>
<td>Positive effect expected</td>
<td>Positive effect (P,WH)</td>
<td></td>
</tr>
<tr>
<td>Cross-functional alignment</td>
<td>Positive effect (UI,SP)</td>
<td>Positive effect (HB, MS,P)</td>
<td>Positive effect expected</td>
<td>Positive effect (KR,LP2,O, SR, WH)</td>
<td></td>
</tr>
<tr>
<td>Organization structure</td>
<td>Positive effect (P)</td>
<td>Positive effect (KR)</td>
<td>Positive effect (RK)</td>
<td>Positive effect</td>
<td></td>
</tr>
<tr>
<td>Capabilities</td>
<td>Positive effect (HB, P,SP, UI)</td>
<td>Positive effect (AK, HB,UI)</td>
<td>No effect expected</td>
<td>Positive effect (BG,HB,P,SP, UI)</td>
<td></td>
</tr>
<tr>
<td>Behaviour</td>
<td>Positive effect (P,UI)</td>
<td>Positive effect expected</td>
<td>Positive effect esp. when focus on trust (GG,RK, UI)</td>
<td>Positive effect with proper incentives (BG,GG,IP,O,P,RA,UI, WH, Z)</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Overview literature findings
In order to support this conceptual model, propositions are given in table 2. These propositions were defined according to the findings in paragraphs 2.5 and 2.6.

<table>
<thead>
<tr>
<th>KAM activities</th>
<th>Proposition 1: Identification of problems the customer is facing and providing solutions to solve these problems has a positive effect on KAM performance.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct sales activities</td>
<td>Proposition 2: A well defined alignment of product, price and service for key accounts has a positive effect on KAM performance.</td>
</tr>
<tr>
<td>Sales/marketing alignment activities</td>
<td>Proposition 3: Putting effort in creating a relationship and increasing customer satisfaction has a positive effect on KAM performance.</td>
</tr>
<tr>
<td>Customer management activities</td>
<td>Proposition: Proper customer identification and classification has a positive effect on KAM performance.</td>
</tr>
<tr>
<td>Customer knowledge management activities</td>
<td>Proposition: Gather knowledge about end-use markets in order to identify opportunities at the customer has a positive effect on KAM performance.</td>
</tr>
<tr>
<td></td>
<td>Proposition 4: The use of key account customer databases (with people stimulated to submit information and without excessive formalization) has a positive effect on KAM performance.</td>
</tr>
<tr>
<td>Moderating factors</td>
<td>Proposition: Organizational aspects have a moderating effect on the influence of KAM activities on performance.</td>
</tr>
</tbody>
</table>

Table 2: Overview of propositions

Because of time restrictions only the numbered propositions (1 to 4) will be investigated further in this research project.
3 Methodology

3.1 Research design

The result of the literature investigations indicated that it is not clear what KAM activities have a positive influence on KAM performance. There are some indications of KAM activities that have a positive influence on KAM performance, but it is worthwhile to investigate if they can be confirmed, and to investigate if there are more. Also there is a pretty good view on what could be the moderating effects of organizational aspects on KAM performance. However this also has to be investigated more in detail. Beside this it was concluded that sales growth, profit growth and market share growth could be the performance indicators, but it is also important to check this because these will be the dependent variables and therefore the first thing that has to be made clear. The target of this research is to make the effect of KAM activities and organizational aspects on KAM performance more clear.

A multiple case study is a preferred way of doing this because in this case “why” and “how” questions are being asked about a contemporary set of events over which the investigator has no control (Yin, 2014). A deep analysis can be made of the effect of the KAM activities on performance and the moderating effect of organizational aspects.

3.2 Data collection

KAM performance is the dependent variable so this is the first thing that has to be made clear before or at the beginning of the case study. After this the effect of KAM activities on KAM performance should be investigated, and finally the moderating effect on this by the organizational aspects.

This will be all be done in a multiple case study.

3.2.1 Multiple case study

“Literal replication” will be used: A few cases will be selected for which looking at the characteristics of these cases similar results are expected, which can then be compared with each other and with the propositions. Two case studies will be conducted in different companies, selected on their own (big) business volume, and because they have customers to which the sales is so much (or could potentially so much) that it is justified to have dedicated key account managers for these customers. These two criteria will make sure that these companies were and are involved in many aspects related to key account management and can therefore give useful input to this research project.

The “unit of analysis” is the combination of the account managers and the part of the organization where the interaction between the account managers and other departments takes place. Customers will not be involved in this case study. Each case will consist of one unit of analysis, so the case studies will be holistic.
When considering commonly used ways of Methodological Triangulation (which are for instance interviews, observations and document research), the problem is that observations would take a too long time, and document research is not possible in all cases because of confidentiality. Therefore in this research project Data Source Triangulation is used: per case study persons from three different functional areas will be involved in order to make sure the gathering of data will come from three different perspectives. Looking at the propositions, it is then worthwhile to involve to persons in three functional areas in every organization:

1. Key Account Management personnel
2. Marketing personnel
3. Personnel responsible for KAM process definitions and control

Key informants in the related companies will be used to select the right people. After this the potential participants will be contacted, preferably first by phone, and after that by an E-mail as given in appendix 1.

The case study will both be “explanatory” (related to checking the defined propositions) and “exploratory” in order to check if there are other activities (or ways of performing these activities) as well as organizational aspects that influence KAM performance. Semi-structured interviews will be used because there has to be some structure to make sure the discussion topics don’t divert too much from the topics and to allow deduction from the theory found in the literature, but the structure should not be too rigid to allow new ideas to be brought up during the interview as a result of the discussion, so we can get induction from the empirical investigations.

Looking at the two companies involved: “Company 1” is a big high tech company delivering tangible products to external customers, while “Company 2” is the part of another big high tech company that performs research activities to internal customers. Important to mention is that in Company 1 the roles of account management, marketing and process management are clearly separated among the participants, while in Company 2 the roles are less clear divided: The “Marketing Manager” is more a program manager responsible for a certain segment, and the “Process Manager” is also doing account management, but also has responsibilities for process development and control (something that the “Account Manager” in Company 2 does not have). This might give different results which might not be achieved in case the two companies would sell the same kind of products and would both have well separated functional areas among their employees. Nevertheless looking at the propositions no differences are expected between the two companies, we still talk about “Literal replication”.

### 3.3 Measures

In table 3 the operationalization scheme is given. Looking at the propositions 1 to 4 it can be concluded that in all cases these propositions describe how the KAM activities indicators should be performed in order to affect KAM performance indicators (instead of directly describing the effect of KAM activities indicators on KAM performance indicators). The indicators in table 3 can then be used as input for the semi structured interviews.
### Table 3: Operationalization scheme

<table>
<thead>
<tr>
<th>Theoretical Concept</th>
<th>Dimensions</th>
<th>Indicators</th>
</tr>
</thead>
</table>
| KAM activities      | Direct sales activities | Identified sales opportunities to key account  
|                     |            | Created solutions for key account  
|                     |            | Sold products to key accounts  
|                     | Sales/marketing alignment activities | Aligned products for key account  
|                     |            | Aligned service for key account  
|                     |            | Aligned price for key account  
|                     | Customer management activities | Acquired customers  
|                     |            | Level of customer retention  
|                     | Customer knowledge management activities | Key account knowledge used for Direct sales, Sales/marketing and Customer management activities  
| Organizational aspects related to KAM | Management involvement | Management activities related to key accounts  
|                     | Cross functional alignment | Cross functionally aligned solutions for key accounts  
|                     | Organization Structure | Present organization structure for handling key accounts  
|                     | Capabilities | Knowledge about own products  
|                     |            | Knowledge about customers products  
|                     |            | Finance and marketing skills  
|                     |            | Cognitive abilities  
|                     |            | Selling & negotiation skills  
|                     |            | Managing relationships skills  
|                     |            | Personality  
|                     |            | Educational background & experience  
|                     | Behaviour | Actions related to key accounts  
| KAM performance | Measurable KAM performance | Market share growth  
|                     |            | Sales growth  
|                     |            | Profit growth  
|                     | Non-measurable KAM performance | KAM related capabilities  
|                     |            | KAM related morale  
|                     |            | KAM related behaviour  
|                     |            | Key account satisfaction  
|                     |            | Relationship with key account  

### 3.3.1 KAM performance indicators

In the literature there are various definitions or descriptions of KAM performance. As concluded in paragraph 2.2, sales growth, profit growth and market share growth could be the common denominators for KAM performance (Richards et al., 2009; Zoltners et al., 2008). Looking at the performance indicators mentioned in paragraph 2.2, they refer to measurable factors (market share, profit, sales) and non-
measurable factors (capabilities, morale, behaviour, customer satisfaction, relationship) (Richards et al., 2009; Zoltners et al., 2008; Piercy, 2006). In the semi-structured interviews the participant will be asked what the performance indicators are in their organization, in order to get a comparison with the results from the literature. Important for the choice of performance indicators is that the propositions should later be able to be empirically tested. If f.i. a proposition is “in case activity A is done the relation with the customer will be good”, it could be that cases can be found that activity A improves the relation with the customer, but the relation might still be bad. In that case the proposition will be rejected, while in fact activity A is still beneficial for the relation. It is therefore better to define performance indicators in a relative way (improve, increase etc.) than in an absolute way. This will be taken into account in the semi-structured interviews (see appendix 2).

3.3.2 KAM activities

There are indications of some KAM activities, or better said the way they are performed, that are suggested to have effect on KAM performance (see paragraph 2.5), however there is no indication at all that these cover all or most potential ways that affect KAM performance. In the semi-structured interview (see appendix 2) first the participants will be asked what their experiences are with activities that affect KAM performance, and if they can give examples. After that the participants will be confronted with the four KAM activity categories. Per category they will be asked how these are done in their organization and for examples of activities and their influence on KAM performance, and in the end the participants will be confronted with the propositions belonging to that category, and asked for examples from their organization related to these propositions.

3.3.3 Organizational aspects

Paragraph 2.6 shows that there is a pretty good view on the items that could be moderators, and how they affect KAM performance. However in order to investigate them all in combination with all propositions would be too much for this research project. Therefore in this research project for each proposition the participants will be asked in an open question what kind of organizational aspect has the biggest impact on the effect of the KAM activity on KAM performance.

3.4 Data analysis

In order to test the propositions, “Pattern Matching” will be used. The test of propositions can be done by 1) selecting a case in which outcome Y is absent with the expected pattern of condition X being absent (Independent variable design) or by 2) selecting a case in which condition X is present with the expected pattern of outcome Y being present (Dependent variable design) (Hak & Dul, 2009). This case study will use dependent variable design: The participants can be asked for example cases in which the conditions in the propositions are met, and then check if there is then also a positive effect on
KAM performance. Independent variable design is not practical in this case study: When for instance asking a participant to take a case in which there is no sales growth, it is likely that he/she will not come up with the conditions mentioned in the propositions as the conditions that would explain this, since there are many other conditions that influence sales growth.

Further all kinds of data gathered during the interviews will be summarized, and after that they will be represented according to the table given below.

<table>
<thead>
<tr>
<th>Functional area</th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Account Managers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing Managers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Managers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Data analysis tool

The data will then be analysed by looking at patterns: Results will be compared among individual functional areas and individual companies, and general conclusions will be derived from this. This is a useful method for this case study because if we are for instance looking at the way the participants look at the propositions, we can check if this is related to their individual opinion, or if a pattern can be found to show it is more related to the company or to the functional area they belong to. This could help to explain the opinions and check how the propositions can be adapted in order to get a more common acceptance. More details on how the data analysis is done can be found in appendix 3.

3.5 Methodological issues

Assessing the various categories of validity and reliability gives a very good tool to foresee methodological issues, and also to improve the case study design if necessary. Below the results are given:

*Construct validity* (establishing correct operational measures): Triangulation (of data source: multiple informants per case) is used, and both qualitative and quantitative data has been used. The interviews are based on the operationalization schedule, and the participants are asked to review the draft.

*Internal validity* (establish a causal relationship): Pattern matching is used in which rival explanations could be investigated. Causal relations are derived from these.

*External validity* (establish a domain to which a study’s findings can be generalized): Propositions and theory are used for generalization.

*Reliability* (demonstrate that the study can be repeated with the same results): A pre-defined plan for the case study was made (formats for interviews, including the way the results should be analyzed and represented). This plan is especially necessary because of my own personal experience on the topic of KAM, which might give biased opinions and could influence the discussion.
4 Results

The data gathering was done by means of semi-structured interviews. In table 5, information is given about the two companies and the six persons participating in the case study interviews.

<table>
<thead>
<tr>
<th>Functional role in case study</th>
<th>Current job description</th>
<th>Experience in current job</th>
<th>Total working experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Management</td>
<td>Sr. Director Sales</td>
<td>4 year</td>
<td>25 year</td>
</tr>
<tr>
<td>Marketing Management</td>
<td>Director of Operational Marketing</td>
<td>3 year</td>
<td>28 year</td>
</tr>
<tr>
<td>Process Management</td>
<td>Business Process Management Director</td>
<td>2 year</td>
<td>25 year</td>
</tr>
<tr>
<td>Company 1: High-Tech (tangible) products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Account Management</td>
<td>Account Manager</td>
<td>4 year</td>
<td>18 year</td>
</tr>
<tr>
<td>Marketing Management</td>
<td>Director Innovation</td>
<td>1 year</td>
<td>24 year</td>
</tr>
<tr>
<td>Process Management</td>
<td>Account Manager (with added responsibilities for process development and control)</td>
<td>4 year</td>
<td>22 year</td>
</tr>
<tr>
<td>Company 2: High-Tech research</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5: Demographics

All the participants were very willing to cooperate and gave honest, well elaborated answers in an open atmosphere. In this chapter the results of these interviews are given and analysed.

4.1 Overall results using a data matrix

An overview of all the answers, by using key words and abbreviations, is given in the data matrix in appendix 4 (table 7). The support for the investigated propositions is also indicated in table 7 (with colours explained in table 9). Also in appendix 4 (in table 8) an indication is given of the times the various KAM performance influencers are mentioned and how this is divided over the companies and functional areas. The individual topics will be discussed more in detail in the paragraphs below.

4.2 KAM performance indicators

During the interviews several potential KAM performance indicators were given and discussed:

- **Sales/Revenue:** This is the result of the Direct sales activities category described in Chapter 2.

  "An Account manager has to give customer insight based on his day-to-day interaction with the customer, and translate that into an appropriate customer account strategy in order to identify opportunities. Sales growth then determines successfulness" (Process Manager Company 1).

  In management plans sales growth is important. Also in order to check if the indicator is suitable to indicate the effect on performance of individual KAM activities it is better to talk about (relative) sales growth instead of (absolute) sales, because absolute sales could also be influenced by other aspects than the individual KAM activity.

  To make it even more specific, as indicator for KAM successfullness can also be chosen the sales growth compared to average sales growth (based on historical data), or the sales growth compared to the competitor’s sales growth at the key customer.
• **Customer satisfaction**: For the customer the quality of the work is important. Especially for a company with internal customers the goal of KAM is to create more value for the overall parent-company, so for them customer satisfaction is an important indicator. Customer satisfaction is measured by customer surveys. Customer satisfaction growth is the best indicator to check the effect of individual KAM actions, an absolute value of customer satisfaction could also be influenced more by other aspects than the individual KAM activity.

• **Margin**: This is regarded as a less suitable KAM performance indicator. Margin is linked to profitability of the organization as a whole, cost price also plays an important role so this is not something that is fully under control at the account manager. Also for the company with internal customers there is a no-profit/no-loss target.

• **“Design wins”**: This indicates the new business the account manager gained, and is an indication for future revenue (measured in money). It is not regarded as a very suitable KAM performance indicator: Design wins often deviate too much from the actual revenue that will really be achieved in the future.

Indicated in table 10 are the most important performance indicators that according to the participants indicate successful KAM performance resulting from KAM activity (unsuccessful KAM performance between brackets).

### 4.3 Exploring explanatory variables

Several variables influencing KAM performance were given and discussed, they can be divided in several categories:

• **Relation with the customer**: Looking at the “funnel”: lead identification is done first, then making a project proposal, quotation, order intake and project execution. For this it is important is to have a broad network at the customer, not only for the account manager, but also for the project participants in research.

> *“The network of the network has to be good: if only the account manager has a good network at the customer that is not sufficient, also the account manager’s internal network must have a good network at the customer”* (Account Manager Company 2).

Quality of the relations is therefore seen as an important aspect of the funnel that influences KAM performance. If the relation with the customer improves, the funnel will be more successful, resulting in sales growth. Also if the relation improves this will result in a higher number of finished projects that are satisfying for the customer. There is no clear relation however between the quality of the network at the customer and customer satisfaction: A network at the customer helps to get the questions in the project definition more clear, however in the end will not really improve customer satisfaction.

• **“Fit” between native company and customer**: The products that the supplier company delivers should match with the customer requirements, and roadmaps should be based on that.

> *“In a technology environment the customer always wants to find continuity in the roadmap”* (Process Manager Company 1).
If roadmaps between native company and customer match very well, it will result in sales growth. In order to help defining roadmaps and products, it is important that an inventory is made of the strategic fit between the native company and the customer. This should go further than product level alone, and should focus on what a customer requires to succeed in its market.

- **Knowledge**: In order to help defining the products, roadmaps and strategic fit mentioned above, it is important to have knowledge of both the native company (know what you sell and your own competencies) and the customer (customer projects and the customer’s application area).
  
  “Good knowledge of projects running at the customer is important to know where the business opportunities are..... If the Account Manager does not know our value proposition well enough, he might only run into a price discussion” (Marketing Manger Company 1).

- **Capabilities**: In order to realize sales to the customer, the account manager should be able to present a value proposition to the customer. Improving commercial and social capabilities will have a positive effect on sales growth.

- **Tools**: Having the right tools for Account Management will help to make his/her work more efficient.
  
  “Without the right tools for capturing interaction with customer and documenting the customer’s input, the account manager will be less effective because he/she has to do more manual administrative work” (Process Manager Company 1).

In table 11 the variables are given that according to the participants influence KAM performance, as well as the effect on KAM performance.

### 4.4 Impact of Direct sales activities

#### 4.4.1 Direct sales activities variables mentioned by participants

The participants describe “funnels” similar to figure 2. It is important to do the activities in this funnel well, if this is done well it will increase the chance of sales growth and it will increase customer satisfaction, especially when the customer expectations are exceeded.

Specific parts of this funnel that benefit KAM performance are the following:

- **Requirement evaluation**: What is the question behind the question, what do they really want? Will the customer problem really be solved? If this is not done well it will give all kinds of delays and might result in an undesired outcome. If requirement evaluation is done very well, it will result in customer satisfaction growth and it will increase the number of good transfers.

- **Roadmap alignment**: This is seen as the daily work of account management: Many people in the organization are busy checking to what extent they can meet the future customer requirements, and include that in their own roadmaps. If the native company’s roadmap is very well aligned with the customer roadmap, it will result in a sales growth higher than average.

- **Know the customer**: A very good picture of the customer gives a more than average sales growth.
  
  “Once a customer went to a competitor for a product that we also could deliver, but we did not know about this opportunity on beforehand. This was because there was an incomplete picture of the customer” (Marketing Manager Company 1).
In table 12 the variables related to the Direct sales activities are given that according to the participants influence KAM performance, as well as their effect on KAM performance.

### 4.4.2 Proposition 1

Proposition 1 states: Identification of problems the customer is facing and providing solutions to solve these problems has a positive effect on KAM performance.

In general we can come to the conclusion that all participants support proposition 1, however some conditions or way-of-workings are mentioned that enable the effect or make the effect stronger:

- **Roadmap alignment**: It is important that the own products can address the customer well.
- **Timing alignment of the own project with the customer project**.
- **Solving customer problems they are even not thinking about by themselves**.
  
  "Thought Leader Position is very important for a research of consultancy organization: You need proactively come up with solutions for the customer to solve problems for them they are even not thinking about, only asking the customer what their problems are is not enough" (Marketing Manager Company 2).
- **Customer problems to be addressed should be the ones that affect their whole organization**.
  
  "Important is to find the "burning issue" that affects the whole organization, and does not only solve a problem for a small part of the organization. You have to make sure to become a partner for the company as a whole" (Process Manager Company 2).

In table 13 the variables related to proposition 1 are given that according to the participants influence KAM performance, as well as the effect on KAM performance.

### 4.4.3 Moderating factors to Proposition 1

The following factors are mentioned as most important moderating factors to proposition 1:

- **Relation**: If this is very good, it will increase the effect of proposition 1.
- **Trust**: If this is very bad, it will decrease the effect of proposition 1. If this is very good, it will not really increase the effect of proposition 1 (It is more a condition that works single sided).
  
  "Emotional factors are the most important moderating factor: The (often irrational) feeling the customer has towards the research organization. If this feeling is not good, problems can not be avoided" (Marketing Manager Company 2).
- **Success of the customer** in their market: If this is very good, it will increase the effect of proposition 1.
- **Support of the solution** by the internal organization: If this is very good, it will increase the effect of proposition 1. It can bee seen as a condition for proposition 1.
- **Strategic fit** between the native organization and the customer: If this is very good, it will increase the effect of proposition 1.
  
  "Capabilities and innovation domains should match. If this fits, then the identification of the opportunities at the front end of the tunnel will be more effective: with a more limited focus and less work the customer question & scoping can be made more clear" (Account Manager Company 2).
- **Price**, in case of research specifically the cost per hour per employee: If this is very good, it will increase the effect of proposition 1.
In table 14 the most important moderating factors related to proposition 1 are given as well as the effect of this.

4.5 Impact of Sales/marketing alignment activities

4.5.1 Sales/marketing alignment activities variables mentioned by participants

The participants come up with a positive effect of a good alignment of price, service and product (as also mentioned as the main activities in this category, see figure 3) on sales growth and the number of project transfers with satisfactorily results for the customer.

Specific items that further affect KAM performance are the following:

- Interaction between the account manager and the “strategic level” in the native organization will improve customer satisfaction.
  
  “There needs to be a much better interaction between the account managers and higher management in order to get a good link between the overall strategic direction and the account managers actions. This will help to get more insight in the own organization’s capabilities, which helps finding the “unidentified needs” of the customer and therefore helps to come to a better product, price and service definition” (Marketing Manager Company 2).

- Including customer information in the Sales/marketing alignment will give sales growth, or at least increases the chance of sales growth.

- Customer visits will increase customer satisfaction.
  
  “In research there are not that many traditional marketing activities, the best marketing method is promotion by visits of the key stakeholders of customers to research” (Process Manager Company 2).

In table 15 the variables related to Sales/marketing alignment activities are given that according to the participants influence KAM performance, as well as the effect on KAM performance.

4.5.2 Proposition 2

Proposition 2 states: A well defined alignment of product, price and service for key accounts has a positive effect on KAM performance.

In general we can come to the conclusion that all participants support proposition 2, although one participant is mentioning that beside product, price and service also emotional factors should be aligned in order to improve KAM performance.

“Important is the experience and feeling that the customer will get from the project; let’s call this emotional or experience factors. This is about mutually managing expectations in the customer relationship. These factors have to be aligned with the project manager very well” (Account Manager Company 2)

In table 16 the variables related to proposition 2 are given that according to the participants influence KAM performance, as well as the effect on KAM performance.
4.5.3 Moderating factors to Proposition 2

The following factors are mentioned as most important moderating factors to proposition 2:

- **The native company’s status** compared to the competitor: If this is very good, it will increase the effect of proposition 2.
- **Capabilities/competencies:** If this is very good, it will increase the effect of proposition 2.
  
  “You have to operate in an area in which your strong points are present” (Marketing Manager Company 2).
- **Relation with the right stakeholders focusing on long term:** If this is very good, it will increase the effect of proposition 2.
  
  “In case competitors talked better than we did to the right stakeholder focusing on long term, then the future customer product is based on competitor specifications. We can then only fight on price, and we will always be in the catch-up mode” (Account Manager Company 1)
- **Customer insight:** If this is very good, it will increase the effect of proposition 2.

In table 17 the most important moderating factors related to proposition 2 are given as well as the effect of this.

4.6 Impact of Customer management activities

4.6.1 Customer management activities variables mentioned by participants

The variables related to Customer management activities given by the participants are more related to customer retention than to customer acquisition (see figure 4).

Specific items related to customer retention that affect KAM performance are the following:

- **Relation:** Customer intimacy has a positive effect on KAM performance. Items focussing on measuring the relation (by Net Promoter Score, supplier ranking) and taking actions to improve the relation (by identification/interaction with stakeholders and making a contact schedule) will increase (the chance of) sales growth and customer satisfaction.

  “Customer management activities are not only done by the account manager, everybody in the research organization should be involved.... The experience is that when the customer intimacy is good, it will increase the number of good transfers” (Account Manager Company 2).
- **Management involvement:** If management is involved well in the relation with the customer this will increase sales growth.

  “Globally, and certainly in Asia in several cases it is important to involve management in customer acquisition and retention, rather than leaving this only to the account managers. Relations are very important there” (Marketing Manager Company 1).
- **Skills:** If relational skills are very good, this will increase the customer satisfaction.
- **Evaluation of the match** between customer requirements and own competencies: If this is done well, this will increase the customer satisfaction.

In table 18 the variables related to Customer management activities are given that according to the participants influence KAM performance, as well as the effect on KAM performance.
4.6.2 Proposition 3

Proposition 3 states: Putting effort in creating a relationship and increasing customer satisfaction has a positive effect on KAM performance.

In general we can come to the conclusion that all participants support proposition 3. However two additional remarks were made:

- It is important to put more effort than competitors in creating a relationship and increasing customer satisfaction.
- Putting a lot of effort in creating a relationship and increasing customer satisfaction will increase the chance of sales growth, but it is uncertain if there really will be sales growth: quality of products and services, price etc. also play an important role.

In table 19 the variables related to proposition 3 are given that according to the participants influence KAM performance, as well as the effect on KAM performance.

4.6.3 Moderating factors to Proposition 3

The following factors are mentioned as most important moderating factors to proposition 3:

- Importance solutions for the customer: Is this is very big, it will increase the effect of proposition 3.
- Competencies: If the match between the own competencies and the customer requirements is good, it will increase the effect of proposition 3.
- Customers Market volume: If this is very big, it will increase the effect of proposition 3.
- Competitor technology: If this is perceived better by the customer than the own technology, it will decrease the effect of proposition 3.
- Price policy: Is this is very good, it will increase the effect of proposition 3.
  “The price policy should not be based on "one size fits all", but it should be tailored to the customer and project setting” (Account manager Company 2).
- Customer focus of the whole organization: Is this is very good, it will increase the effect of proposition 3.
  “If only the account manager is customer focused, and the rest of the organization not, you will lose” (Marketing Manager Company 2).

In table 20 the most important moderating factors related to proposition 3 are given as well as the effect of this.
4.7 Impact of Customer knowledge management activities

4.7.1 Customer knowledge management activities variables mentioned by participants

Of the three steps described in figure 5 (Customer knowledge acquisition, knowledge dissemination and knowledge utilization), the variables mentioned by the participants are mainly related to the first two steps: Gather knowledge and deploy that into the native organization.

Two kinds of knowledge were mentioned, as well as their effect on KAM performance:

- **Gather customer knowledge and deploy that into the native organization:** If this is done well, it will increase (the chance of) sales growth and at long term customer satisfaction. Important for this is to give full openness for all internal parties involved, and to identify the customer knowledge gaps and “fill” these gaps.

  "The account manager basically collects the customer information by himself, there are no systems or databases for this. Capabilities and behaviour of the account manager are more important than systems: the account manager should not rest until all knowledge gaps regarding customer information are filled, not only at himself but also at others in the organization" (Marketing Manager Company 2).

- **Gather end-user knowledge and deploy that into the native organization:** If this is done well, it will increase sales growth and the number of finished projects that are satisfying for the customer.

  "End-user application knowledge is important....... If the Research department is not aware of the end-user application, the transfer to the product development department might go well, but it will not reach the end-market in a good fashion" (Account Manager Company 2).

In table 21 the variables related to Customer knowledge management activities are given that according to the participants influence KAM performance, as well as the effect on KAM performance.

4.7.2 Proposition 4

Proposition 4 states: The use of key account customer databases (with people stimulated to submit information and without excessive formalization) has a positive effect on KAM performance.

There are mixed opinions on proposition 4:

- Some participants don’t see a real influence of the use of key account customer databases on KAM performance, even when people are stimulated to submit information and if the databases don’t have excessive formalization.

  "Sometimes such a database is useful to see who is working on which accounts (which is often convenient in a big organization), for the rest the use of a key account customer database does not have a real influence on performance. Having an organized way-of-working and an in-depth understanding of the customer relationship on an emotional level is much more important for an account manager" (Account Manager Company 2).

- The other participants think that the use of key account customer databases could have a positive influence on sales growth and customer satisfaction, but they all give additional conditions for improvement such as technical information about customers, specifications/forecasts coming from
A Key Account Customer database should be a toolbox to support the Key Account Manager, not only to please the management. Often it is a management tool in which a lot of data is required, but does not really support the account manager. In that case putting data in the system is taking time that can not be used to get customer contacts. A good back-office which is taking care of collecting data, putting this in the systems and providing reports to support the account manager is very valuable and will improve the organization performance” (Process Manager Company 2).

The conclusion is that there is no overall support for proposition 4: It is either not supported or will only be supported in case of additional conditions.

In table 22 the variables related to proposition 4 are given that according to the participants influence KAM performance, as well as the effect on KAM performance.

4.7.3 Moderating factors to Proposition 4

The following factors are mentioned as most important moderating factors to proposition 4:

- **Quality/relevance of the data**: Is this is very good, it will increase the effect of proposition 4.
  “An excessive amount of control by management with people forced to put a lot of data in the system will decrease performance because of the big amount of work. Important is that the number of relevant data fields is high, and the number of irrelevant data fields is low” (Process Manager Company 2).

- **Customer project**: The continuation of this is an enabler to let the use of key account customer databases result in sales growth. If the customer project stops there will be no sales growth, even if a key account customer database is used very well.

In table 23 the most important moderating factors related to proposition 4 are given, as well as the effect of these.

4.8 Final conclusions mentioned by the participants

The most important aspects that influence KAM performance indicators mentioned by the participants (such as sales growth and customer satisfaction) are the following:

- You have to know your customer and its needs, and you have to know your own organization. After this you should adjust your own organization (incl. capabilities) to the customer and make a value proposition based on the customer’s needs. Finally you should get commitment from the native organization to implement the solution for the customer.
  “The definition phase is very important: the question & scope has to be defined well. The right stakeholders have to be involved in this, and a loop has to be in place to make sure the final result will be the right question. The most important moderating factor is the strategic fit: The capabilities have to match the customer application area. And we should have a good understanding of the kind of relationship the customer is looking for: e.g. transactional different from strategic” (Account Manager Company 2).

- Relation management, incl. behaviour account manager and customer focus is an important factor.
• Account management can not be isolated from the rest of the organization; account management activities should be more formalized.

“In research or any other knowledge focused service providing company, account management is more crucial than marketing or sales” (Marketing Manager Company 2).

• Opportunity selection is important: You have to select the good ones from the bad ones.

• Market influence is an important factor as moderating factor on the effect of several KAM activities on sales growth.

In table 24 the most important final conclusions mentioned by each participant are given.

4.9 Influence interview results on conceptual model

Based on the original conceptual model in figure 6, in figure 7 the effect of the 4 propositions has been given resulting from the interviews. More details and an overview of the results of the more exploratory questions per category can be found in table 7 in appendix 4.

Figure 7: Adapted conceptual model influence KAM activities on KAM performance
5 Conclusions, discussion and recommendations

First of all, in paragraph 5.1 the way in which the achieved research results answer the research question in chapter 1 is discussed. After that in paragraph 5.2, the achieved research results are compared with the theory described in chapter 2, and also the contribution to the scientific “body of knowledge” is discussed. In paragraph 5.3, the practical implications are given, in paragraph 5.4 the limitations are given and based on that in paragraph 5.5 the suggested follow-up for future research is given.

5.1 Conclusions

The research question is “What is the influence of Key Account Management activities and organizational aspects on Key Account Management Performance?” An answer has been given in a table (see table 25 in appendix 5) in which a summary of results is given focusing on the following aspects:

- The KAM activities found that actually influence KAM performance
- The influence of these KAM activities
- The way the activities should be performed so as to optimize KAM performance
- The moderators that influence the effect of these KAM activities on KAM performance

There are several activities indicated by the literature study or brought up by the participants, and for all of them there are indications of a positive influence on KAM performance with the exception of the use of a key account customer database: Letting the account manager actively deploy customer knowledge into the native organization gives better results than using such a database.

5.2 Discussion

When the KAM performance indicators, the four KAM categories and the clusters of moderating factors defined earlier in this report (plus the literature findings) are compared with the interview results, the following can be concluded:

- KAM performance: In the literature study (paragraph 2.2) it was indicated that sales growth, profit growth and market share growth could be the KAM performance indicators resulting from individual KAM activities. The interviews indicated that Company 1 sees sales growth as the most suitable performance indicator, but for Company 2 this is customer satisfaction growth. This is related to the fact that Company 2 has no-profit/no-loss targets, and is working for internal customers, while Company 1 is selling products to many external customers. Company 2 is conducting surveys at the customer to make customer satisfaction a measurable indicator. Despite the fact that both companies use completely different performance indicators, there is no big difference in the way they think KAM activities will influence performance, and if there is a difference it can in all cases be explained by other factors (see also later in this paragraph where the differences between the companies are discussed).
- Direct sales activities: Proposition 1 (stating that the identification of problems the customer is facing and providing solutions to solve these problems has a positive effect on KAM performance)
Sales/marketing alignment activities: Proposition 2 (stating that a well-defined alignment of product, price and service for key accounts has a positive effect on KAM performance) is supported by the participants. Beside this the positive effect of the alignment of own products, roadmaps and strategy with those of the customer was indicated, as well as how this should be performed.

Customer management activities: Proposition 3 (stating that putting effort into creating a relationship and increasing customer satisfaction has a positive effect on KAM performance) is supported by the participants. It should be made sure that the right stakeholders at supplier and customer build a good relationship with each other, and that the whole supplier company is customer focused. The account manager should coordinate this, and should have good relational skills.

For the other proposition, not directly investigated in this research project (stating that proper customer identification and classification has a positive effect on KAM performance) nothing was mentioned by the participants.

Customer knowledge management activities: Proposition 4 (stating that the use of key account customer databases, with people stimulated to submit information and without excessive formalization, has a positive effect on KAM performance) is not supported by the participants, not even with the conditions mentioned in the proposition. Instead, it was mentioned that when the account manager actively deploys customer knowledge in the native organization, this will have a positive effect on KAM performance. In order to know what kind of knowledge should be deployed, it is useful to makes an inventory of the “customer knowledge gap” in the native organization.

For the other proposition, not directly investigated in this research project (stating that gathering knowledge about end-use markets in order to identify opportunities at the customer has a positive effect on KAM performance) there was support from one participant who mentioned by himself similar effects as in the proposition.

Moderating effects: These were not included in pre-defined propositions; in the interviews the participants were asked to come up with them completely by themselves. Comparing the results with the five pre-defined clusters of moderating effects (as described in paragraph 2.6) gives the following:

- Management involvement: This was mentioned once by a participant, but as a direct effect on KAM performance and not as a moderator to the effect of a KAM activity on performance. The interview results do not give an indication for the moderating effect of management involvement.
o Cross-functional alignment: One participant mentioned the support of the internal organization at the solution delivery (to proposition 1), and one participant mentioned the customer focus of the whole organization (to proposition 3) as moderating factors. This means that there is some support for the moderating effect of cross-functional alignment on the effect of KAM activities on KAM performance.

o Organization structure: This was not mentioned at all as a factor influencing KAM performance, also not as being a moderator. The interview results do not give an indication for the moderating effect of organization structure.

o Capabilities: This (or the concept of ‘competency’) was mentioned several times as an influencer of KAM performance, and two times as moderator (both to proposition 2). This means that there is some support for the moderating effect of capabilities on the effect of KAM activities on KAM performance.

o Behaviour: This is not directly mentioned as moderator, but trust was mentioned once as moderator for proposition 1. In paragraph 2.6.5, it is written that especially behaviour that influences trust has a big influence on KAM performance. Beside trust, “relationship” is also mentioned two times as being a moderating factor (to propositions 1 and 2), and trust and relationship are both the outcome of behaviour. The participants therefore focus more on one of the major results of behaviour (relationship incl. trust) as moderator than on behaviour itself.

Looking at the moderating factors outside the pre-defined clusters the participants came up with, the following factors were mentioned more than once:

- Fit between supplier company and customer (importance of solutions to customers, the match between strategy, requirements and competencies, and more indirect “customer insight” which can be used to achieve this fit): This is mentioned four times as moderating factor (to propositions 1, 2 and 3).

- Status compared to the supplier’s competitors (e.g. offering, technology): this is mentioned three times as moderating factor (to propositions 2 and 3).

- Customer market and customer’s success in this: This is mentioned two times as moderating factor (to propositions 1 and 3).

- Price: This is mentioned two times as moderating factor (to propositions 1 and 3).

The main difference between the moderators found in the literature and the ones resulting from the interviews is that the moderators derived from the literature are basically all internally related (to the supplier company), while the moderators derived from the interviews are more externally related (more focused on the customer, its market and the competitors).

Some further differences showed up between the two companies and the three functional areas:

Differences between the two companies:

- Requirement definition is more important for Company 2 than for Company 1, this could be explained by the fact that Company 2 is a research company working with projects. Company 2
with the customer (because their customer is internal), while Company 1 focuses more on getting information about the (external) customers.

- Involvement of the native organization is more important for Company 1 than for Company 2; this could be explained by the fact that Company 1 produces tangible products and has a more complex organization.

- For moderating factors to proposition 2, Company 1 is focussing on the status compared to the competitor, while Company 2 is focussing on its own capabilities and competencies. This could be explained by the fact that Company 2 does not really have competitors, and the amount of projects they get from their internal customer depends on their capabilities and competencies.

- The support for proposition 3 (positive effect of creating relationship and customer satisfaction on KAM performance) is stronger (fully unconditional) in Company 2. This is because Company 1 is confronted with competitors who might put more effort into creating relationships and customer satisfaction, possibly making their own effect of creating relationships and customer satisfaction lesser.

Differences between functional areas:

- Account managers mention requirement-definition clearly more than other groups. This could be because they are fully involved when there is a project for the customer.

- Account managers mention involvement of their own organization clearly less than other groups. This might be because the other groups feel a strong need to be involved more with the customer.

- For proposition 1, the marketing managers both mention relationship/trust as moderating factor, while this is not mentioned by others.

- Account managers both mention end-user knowledge as something that should be deployed in the organization, while the marketing managers both mention customer knowledge as something that should be deployed in the organization. It seems they are both looking one level further than their own direct contact level.

5.3 Recommendations for practitioners

Companies are often struggling with the way that they should formalize KAM. This report can give a guideline on how to do this: The activities with indications of a positive influence on KAM performance and indications of the way they should be performed (see table 25) can be considered to be put in procedures. Looking at the last row (with the final interview conclusions) of table 7 and the four most mentioned items in table 8, the following KAM activities should especially be considered to be formalized:

- KAM activities that improve the relationship with the customer
- KAM activities that help gathering customer knowledge and deploy this in the native company (letting the account manager actively deploy this is better than using a customer knowledge database)
- KAM activities that help to get a “fit” between the native company and the customer regarding products, roadmap and strategy
Additionally, some non-KAM activity aspects can also be considered in order to improve KAM performance:

- Make sure there is enough management involvement (in customer contacts and to motivate the account managers).
- Adapt the organization structure in order to get more marketing/sales integration and enough power for the account manager.
- Make sure the account manager gets proper incentives coupled to desired KAM performance indicators.
- Make sure the account managers have the right capabilities by hiring and training accordingly.

Important to mention though is that there are important moderating factors (such as the native company’s competition and the success of the customer) influencing the effect of these KAM activities and non-KAM activity aspects on performance.

5.4 Limitations

This research project has some limitations:

- Looking at the construct validity, one remark should be made that the most important performance indicator the participants in Company 2 came up with (customer satisfaction) is one of the non-measurable KAM performance indicators found in the operationalization scheme in Table 3. Nevertheless all participants mentioned that they made it measurable by conducting surveys. Another remark should be made regarding the data source triangulation: The three functional areas are better divided over individual people in Company 1 than in Company 2. Nevertheless in both companies three different people were interviewed, who can be regarded as three different data sources.

Also the analysis results were based on interviews with only six people in only two companies, which is statistically not enough to derive binding conclusions about the general validity of the propositions and other results.

- Looking at internal validity: Pattern matching has been used to verify the propositions, but no 100% solid conclusions on the causal relations could be derived: No proposition was accepted by all participants without additional conditions from anyone. Also there was no proposition having at least one rejection (by having a negative effect on KAM performance) by a participant. There is a reasonable chance that propositions 1, 2 and 3 are valid, and for proposition 4 this chance is less, however this is all not sure.

5.5 Recommendations for further research

It is recommended to verify the propositions 1, 2 and 3 further by quantitative research on a bigger scale. The main moderating factors found in the analysis could also be considered for inclusion in this research. Looking at proposition 4, it was mentioned that when the account manager actively deploys customer knowledge in the native organization, this will have a better effect than using a customer knowledge
database. This could be investigated further by quantitative research to verify this, or by qualitative research to explore this further.

Other areas that can be considered for further investigation are the differences found between account management of service-providing companies and account management of tangible product-providing companies, and also the differences found between account management of external customers and account management of internal customers: Are there other KAM activities that should be undertaken in order to improve performance, or are there other ways that these activities should be performed? Qualitative research could be considered to explore these areas further.
Literature


Appendix 1: Selection and invitation of participants

Participants will be searched in three functional areas in every organization:

1. Key Account Management personnel
2. Marketing personnel
3. Personnel responsible for KAM process definitions and control

Key informants in the related companies will be used to select the right people. After this the potential participants will be contacted, first by phone, and after that by an E-mail as given below.

Dear ....

I am doing a Master Degree program in Management Science at the Open University in the Netherlands. The final part of this program is a graduation project, and in that I am investigating the effects of Key Account Management activities on performance. This focuses on investigating what activities should be done, and how they should be performed. Also the influences of other organizational aspects are taken into account.

I would like to ask you to participate in my project. Your participation will consist of one interview taking around 1.5 hours of your time, and checking the draft interview report afterwards.

The advantage for you is that it will give you insight on how to optimize KAM activities and to improve organizational aspects around Key Account Management. You will get the final report, and if requested by you I am also willing to spend time afterwards to make the conclusions more clear to you and/or your organization. You will not be charged with any cost.

Information you will give will be treated as confidential and will be protected well.

Attached is a presentation containing a few slides with some more information. Should you have questions please don’t hesitate to ask me.

With kind regards,

Nico Pol
Appendix 2: Interview schedule

1. Introduction
Thanks for giving me the opportunity to talk to you about the effect of Key Account Management (KAM) activities on performance. In this discussion we will first talk about the performance indicators as they are used in your organisation, followed by an open discussion on the possible factors that influence these performance indicators. After that we will discuss the validity of 4 pre-defined propositions, as well as the organizational aspects that could influence these. At the end we will summarize the discussion and discuss the follow-up.

2. KAM performance indicators
Let’s start with the performance indicators:
To be able to determine the influence of activities on KAM performance, we need to know what the KAM performance indicators are. Can you therefore please let me know what kind of performance your organisation expects from KAM?

Give the participant time to think.
What kind of performance indicators are used for that?

Give the participant time to think. Try to come to a conclusion on the variables used as performance indicators.
How is your organization performing on this/these indicator(s), and how is that appreciated in your organization?

Give the participant time to think. Let him/her explain this for every performance indicator.
What is the most important indicator?

Give the participant time to think. Make sure there is a good argument for the choice of this indicator.
To check the effect of individual KAM activities on KAM performance, can you indicate how this performance indicator should be adapted to make sure that the indicator is related only to this individual KAM activity, and not to the total of all activities and organizational aspects?
Make sure that finally the indicator is suitable to indicate the effect of individual activities, this could for instance be done by making the previous mentioned KAM indicator relative instead of absolute.
Which values of these variables indicate successful KAM performance resulting from a KAM activity, and which values indicate unsuccessful KAM performance resulting from a KAM activity?

Give the participant time to think. Continue to discuss this with the participant until proper values are achieved. This could be on a quantitative scale, but also on a qualitative (ordinal or nominal) scale.
For later reference: Values indicating successful KAM performance are called x1, x2, x3..., and values indicating unsuccessful KAM performance are called y1, y2, y3....

3. Exploring explanatory variables
Now we will discuss the factors related to KAM activities that influence KAM performance. Can you indicate factors that influence KAM performance?

Give the participant time to think. Ask additional questions if necessary.
What is the variable per factor, and what are the possible values?

Give the participant time to think. Continue to discuss this with the participant until proper values are achieved. This could be on a quantitative scale, but also on a qualitative (ordinal or nominal) scale.
Can you also give examples of these values from your day-to-day work?
Give the participant time to think.
Can you indicate per factor value to which KAM performance value mentioned above (so \(x_1, x_2, x_3, \ldots\), or \(y_1, y_2, y_3, \ldots\)) they will correspond?

Give the participant enough time to think. Often KAM activities variables have 2 dichotomous values (an activity is done, or it is not done), in that case those two values can be investigated. If there are more than two values, a choice has to be made which values will be investigated (f.i. a low and a high value).

Continue until there is a clear causal relation between the KAM performance indicators mentioned and the KAM activity values. If necessary adjust the values or even the performance indicators (in alignment with the participant).

4. Impact of various KAM activity categories on KAM performance

Looking at the activities within KAM described in the literature, there are 4 main categories of activities that can be distinguished:

1. Direct sales activities.
2. Sales/marketing alignment activities.
3. Customer management activities.
4. Customer knowledge management activities.

4.1. The impact of Direct sales activities

Let’s start with the Direct sales activities. These for instance include opportunity identification, solution creation (with cross functional alignment if necessary) and closing the deal.

Can you tell me how the activities are done in your organization, and give examples?

Give the participant time to think and describe this.

Can you tell me what values can be coupled to these activities?

Give the participant enough time to think. Discuss until proper (most likely ordinal dichotomous, but could be other types as well) values are achieved.

Now we will check how these values affect KAM performance. Can you indicate per factor value if they are present they will correspond to a KAM performance value \(x_1, x_2, x_3, \ldots\), or to a value \(y_1, y_2, y_3, \ldots\)?

Give the participant enough time to think. In case of 2 dichotomous values those two values can be investigated. If there are more than two values, a choice has to be made which values will be investigated (f.i. a low and a high value).

Continue until there is a clear causal relation between the independent and dependent variables. If necessary adjust the values or even the performance indicators (in alignment with the participant).

The literature study gave one proposition related to Direct sales activities.

Proposition 1 states: Identification of problems the customer is facing and providing solutions to solve these problems has a positive effect on KAM performance. “Identification of problems the customer is facing and providing solutions to solve these problems” is the so called independent variable for which we have to determine values to find out how it affects the dependent variable of “KAM performance”.

Values could be the following:

- **Value 1**: Solutions offered to the customer are based on identified customer problems.
- **Value 2**: Solutions offered to the customer are not based on identified customer problems.

Do you agree with this independent variable, and can you give examples?

Give the participant enough time to think. Discuss until proper (most likely ordinal dichotomous, but could be other types as well) values are achieved.
Now we will check how these values affect KAM performance. Can you indicate per factor value if they are present they will correspond to a KAM performance value $x_1$, $x_2$, $x_3$, ..., or to a value $y_1$, $y_2$, $y_3$, ...? Give the participant enough time to think. In case of 2 dichotomous values those two values can be investigated. If there are more than two values, a choice has to be made which values will be investigated (i.e., a low and a high value). Continue until there is a clear causal relation between the independent and dependent variables. If necessary adjust the values or even the performance indicators (in alignment with the participant).

Now we will discuss the moderating factors. We would like to explore if there are conditions that influence the effect of KAM activities on KAM performance. When we look at proposition 1, is the causal relation as described before valid always valid, or are there circumstances or conditions thinkable as described below:

- Circumstances during which the independent variable does not have any influence on the dependent variable
- Certain conditions that have to be fulfilled to make the effect of the independent variable on the dependent variable valid
- Certain conditions that make the effect of the independent variable on the dependent variable stronger

Give the participant time to think. Continue to discuss until the most important organizational aspect has been found according to the participants opinion, also ask for examples.

What is the variable in the most important condition/circumstance, and what are the possible values? Discuss until a proper variable with proper values (most likely ordinal dichotomous, but could be other types as well) is achieved. Help the participant if he/she can not come up with variables in short term.

In case a low (or the lowest) value is present, does the causal relation between the independent and the dependent variable of proposition 1 change? If after that a high (or the highest) value is present, does this relation change (again)? Give the participant time to think. This can be done for all types expect for nominal values, in case of nominal values a choice has to be made which values are investigated.

### 4.2 The impact of Sales/marketing alignment activities

Sales/marketing alignment activities include alignment on products, service and price for Key Accounts. Can you tell me how the activities are done in your organization, and give examples? Give the participant time to think and describe this.

Can you tell me what values can be coupled to these activities? Give the participant enough time to think. Discuss until proper (most likely ordinal dichotomous, but could be other types as well) values are achieved.

Now we will check how these values affect KAM performance. Can you indicate per factor value if they are present they will correspond to a KAM performance value $x_1$, $x_2$, $x_3$, ..., or to a value $y_1$, $y_2$, $y_3$, ...? Give the participant enough time to think. In case of 2 dichotomous values those two values can be investigated. If there are more than two values, a choice has to be made which values will be investigated (i.e., a low and a high value). Continue until there is a clear causal relation between the independent and dependent variables. If necessary adjust the values or even the performance indicators (in alignment with the participant).

The literature study gave one proposition related to Sales/marketing alignment activities. Proposition 2 states: A well defined alignment product, price and service for key accounts has a positive effect on KAM performance. “A well defined alignment product, price and service for key accounts” is the
so called independent variable for which we have to determine values to find out how it affects the dependent variable of “KAM performance”.

Values could be the following:

Value 1: Product, price and service for key accounts are well aligned

Value 2: Product, price and service for key accounts are not aligned

Do you agree with this independent variable, and can you give examples?

Give the participant enough time to think. Discuss until proper (most likely ordinal dichotomous, but could be other types as well) values are achieved.

Now we will check how these values affect KAM performance. Can you indicate per factor value if they are present they will correspond to a KAM performance value $x_1$, $x_2$, $x_3$, ..., or to a value $y_1$, $y_2$, $y_3$, ...?

Give the participant enough time to think. In case of 2 dichotomous values those two values can be investigated. If there are more than two values, a choice has to be made which values will be investigated (f.i. a low and a high value).

Continue until there is a clear causal relation between the independent and dependent variables. If necessary adjust the values or even the performance indicators (in alignment with the participant).

Now we will discuss the moderating factors. When we look at proposition 2, is the causal relation as described before valid always valid, or are there circumstances or conditions thinkable as described below:

- Circumstances during which the independent variable does not have any influence on the dependent variable
- Certain conditions that have to be fulfilled to make the effect of the independent variable on the dependent variable valid
- Certain conditions that make the effect of the independent variable on the dependent variable stronger

Give the participant time to think. Continue to discuss until the most important organizational aspect has been found according to the participants opinion, also ask for examples.

What is the variable in the most important condition/circumstance, and what are the possible values?

Discuss until a proper variable with proper values (most likely ordinal dichotomous, but could be other types as well) is achieved.

Help the participant if he/she can not come up with variables in short term.

In case a low (or the lowest) value is present, does the causal relation between the independent and the dependent variable of proposition 2 change? If after that a high (or the highest) value is present, does this relation change (again)?

Give the participant time to think. This can be done for all types expect for nominal values, in case of nominal values a choice has to be made which values are investigated.
4.3 The impact of Customer management activities

Customer management activities include f.i. customer acquisition and customer retention.

Can you tell me how the activities are done in your organization, and give examples?

*Give the participant time to think and describe this.*

Can you tell me what values can be coupled to these activities?

*Give the participant enough time to think. Discuss until proper (most likely ordinal dichotomous, but could be other types as well) values are achieved.*

Now we will check how these values affect KAM performance. Can you indicate per factor value if they are present they will correspond to a KAM performance value x1, x2, x3..., or to a value y1, y2, y3....?

*Give the participant enough time to think. In case of 2 dichotomous values those two values can be investigated. If there are more than two values, a choice has to be made which values will be investigated (f.i. a low and a high value). Continue until there is a clear causal relation between the independent and dependent variables. If necessary adjust the values or even the performance indicators (in alignment with the participant)*

The literature study gave one proposition related to Customer management activities.

Proposition 3 states: Putting effort in creating a relationship and increasing customer satisfaction has a positive effect on KAM performance.

“Putting effort in creating a relationship and increasing customer satisfaction” is the so called independent variable for which we have to determine values to find out how it affects the dependent variable of “KAM performance”.

Values could be the following:

Value 1: A lot of effort was put in creating a relationship and increasing customer satisfaction

Value 2: No effort was put in creating a relationship and increasing customer satisfaction

Do you agree with this independent variable, and can you give examples?

*Give the participant enough time to think. Discuss until proper (most likely ordinal dichotomous, but could be other types as well) values are achieved.*

Now we will check how these values affect KAM performance. Can you indicate per factor value if they are present they will correspond to a KAM performance value x1, x2, x3..., or to a value y1, y2, y3....?

*Give the participant enough time to think. In case of 2 dichotomous values those two values can be investigated. If there are more than two values, a choice has to be made which values will be investigated (f.i. a low and a high value). Continue until there is a clear causal relation between the independent and dependent variables. If necessary adjust the values or even the performance indicators (in alignment with the participant)*

Now we will discuss the moderating factors. When we look at proposition 3, is the causal relation as described before valid always valid, or are there circumstances or conditions thinkable as described below:

- Circumstances during which the independent variable does not have any influence on the dependent variable
- Certain conditions that have to be fulfilled to make the effect of the independent variable on the dependent variable valid
• Certain conditions that make the effect of the independent variable on the dependent variable stronger

Give the participant time to think. Continue to discuss until the most important organizational aspect has been found according to the participants opinion, also ask for examples.

What is the variable in the most important condition/circumstance, and what are the possible values?

Discuss until a proper variable with proper values (most likely ordinal dichotomous, but could be other types as well) is achieved.

Help the participant if he/she can not come up with variables in short term.

In case a low (or the lowest) value is present, does the causal relation between the independent and the dependent variable of proposition 3 change? If after that a high (or the highest) value is present, does this relation change (again)?

Give the participant time to think. This can be done for all types expect for nominal values, in case of nominal values a choice has to be made which values are investigated.

4.4 The impact of Customer knowledge management activities

Customer knowledge management activities include customer knowledge acquisition, dissemination and utilization.

Can you tell me how the activities are done in your organization, and give examples?

Give the participant time to think and describe this.

Can you tell me what values can be coupled to these activities?

Give the participant enough time to think. Discuss until proper (most likely ordinal dichotomous, but could be other types as well) values are achieved.

Now we will check how these values affect KAM performance. Can you indicate per factor value if they are present they will correspond to a KAM performance value x1, x2, x3..., or to a value y1, y2, y3....?

Give the participant enough time to think. In case of 2 dichotomous values those two values can be investigated. If there are more than two values, a choice has to be made which values will be investigated (f.i. a low and a high value).

Continue until there is a clear causal relation between the independent and dependent variables. If necessary adjust the values or even the performance indicators (in alignment with the participant)

The literature study gave one proposition related to Customer knowledge management activities.

Proposition 4 states: The use of key account customer databases (with people stimulated to submit information and without excessive formalization) has a positive effect on KAM performance.

“The use of key account customer databases (with people stimulated to submit information and without excessive formalization)” is the so called independent variable for which we have to determine values to find out how it affects the dependent variable of “KAM performance”.

Values could be the following:

Value 1: Key account customer databases are used
Value 2: Key account customer databases are not used

Do you agree with this independent variable, and can you give examples?

Give the participant enough time to think. Discuss until proper (most likely ordinal dichotomous, but could be other types as well) values are achieved.

Now we will check how these values affect KAM performance. Can you indicate per factor value if they are present they will correspond to a KAM performance value x1, x2, x3..., or to a value y1, y2, y3....?
Give the participant enough time to think. In case of 2 dichotomous values those two values can be investigated. If there are more than two values, a choice has to be made which values will be investigated (f.i. a low and a high value). Continue until there is a clear causal relation between the independent and dependent variables. If necessary adjust the values or even the performance indicators (in alignment with the participant).

Now we will discuss the moderating factors. When we look at proposition 4, is the causal relation as described before valid always valid, or are there circumstances or conditions thinkable as described below:

- Circumstances during which the independent variable does not have any influence on the dependent variable
- Certain conditions that have to be fulfilled to make the effect of the independent variable on the dependent variable valid
- Certain conditions that make the effect of the independent variable on the dependent variable stronger

Give the participant time to think. Continue to discuss until the most important organizational aspect has been found according to the participants opinion, also ask for examples.

What is the variable in the most important condition/circumstance, and what are the possible values? Discuss until a proper variable with proper values (most likely ordinal dichotomous, but could be other types as well) is achieved. Help the participant if he/she can not come up with variables in short term.

In case a low (or the lowest) value is present, does the causal relation between the independent and the dependent variable of proposition 4 change? If after that a high (or the highest) value is present, does this relation change (again)?

Give the participant time to think. This can be done for all types expect for nominal values, in case of nominal values a choice has to be made which values are investigated.

5. Conclusion

We have been discussing a big amount of factors related to the influence of KAM activities on performance. If we now try to come to a summary: What are the most important factors that influence KAM performance? What are the main conclusions?

Give the participant time to think. Keep on discussing until the main conclusions are reached.

Thank you very much for making time and your participation in this discussion. I will make a report of the outcome of these discussions, and I will send it to you for verification.

Finally after this case study is completely finished, you will receive the final report as well.
Appendix 3: Data analysis after interviews

For all parts of the data analysis, a table as given below will be used to represent the results from the interviews per participants.

<table>
<thead>
<tr>
<th>Functional area</th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Account Managers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing Managers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Managers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6: Data analysis tool

After completing every table, analysis will be done per table looking at the patterns per company and per function, and after that coming to a total conclusion. There might be shared views, but also conflicting views. Explanations for these will be attempted to find. This might be done by contacting some participants individually afterwards.

Below is how the tables are filled-in for every part (including number of tables):

1. KAM performance indicators: Per participant the variable(s) of the KAM performance indicator(s) will be given, as well as the values that indicate positive and negative performance (1 table).

2. KAM activities mentioned by participants: Per participant the activities mention as being most influential on KAM performance will be given, as well as the relation between these activities and KAM performance (1 table).

3. KAM categories: For all four KAM activity categories per participant the description of how these activities are done in the participants’ organization, as well as their relation with performance are described (4 tables).

4. Direct effect in propositions: For all four propositions the relation between the independent variable and the dependent variable are represented per participant (4 tables).

5. Moderating factors in propositions: For all four propositions the most important organizational aspect mentioned by every participant, and the moderating factor of this aspect on the relation between the independent variable and the dependent variable will be given (4 tables).

6. Conclusion: Per participant the final conclusions are given (1 table).

Depending on the interview results, more tables are added if necessary.
### Table 7: Data matrix (colour explanations can be found below in tables 7 and 8)

<table>
<thead>
<tr>
<th>Variables influencing KAM performance</th>
<th>Account Manager Company 1</th>
<th>Marketing Manager Company 1</th>
<th>Process Manager Company 1</th>
<th>Account Manager Company 2</th>
<th>Marketing Manager Company 2</th>
<th>Process Manager Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth compared to average</td>
<td>Sales growth compared to average</td>
<td>Sales growth compared to customer</td>
<td>Sales growth compared to customer</td>
<td>Increase of number of good transfers (with high satisfaction)</td>
<td>Increase partner satisfaction survey score</td>
<td>Increase customer satisfaction</td>
</tr>
<tr>
<td>Moderating factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposition 1 (solutions based on identified customer problems = effect on KAM performance)</td>
<td>Supported if coming from roadmap alignment</td>
<td>Supported, also timing running in parallel with customer project improves KAM performance</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported, however also emotional factors should be aligned</td>
<td>Supported</td>
</tr>
<tr>
<td>Sales/MKT alignment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales activities related factors influencing KAM performance</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
</tr>
<tr>
<td>Customer management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer activities related factors influencing KAM performance</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
</tr>
<tr>
<td>Proposition 2 (Aligned products, services and price)</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
</tr>
<tr>
<td>Sales growth compared to average</td>
<td>Sales growth compared to average</td>
<td>Sales growth compared to customer</td>
<td>Sales growth compared to customer</td>
<td>Increase of number of good transfers (with high satisfaction)</td>
<td>Increase partner satisfaction survey score</td>
<td>Increase customer satisfaction</td>
</tr>
<tr>
<td>Moderating factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposition 1 (solutions based on identified customer problems = effect on KAM performance)</td>
<td>Supported if coming from roadmap alignment</td>
<td>Supported, also timing running in parallel with customer project improves KAM performance</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported, however also emotional factors should be aligned</td>
<td>Supported</td>
</tr>
<tr>
<td>Sales/MKT alignment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales activities related factors influencing KAM performance</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
</tr>
<tr>
<td>Customer management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer activities related factors influencing KAM performance</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
</tr>
<tr>
<td>Proposition 2 (Aligned products, services and price)</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
<td>Supported</td>
</tr>
</tbody>
</table>

*Note: Variables in bold are supported, variables in underlined indicate the support is not clear. Variables in italics are not supported.*
<table>
<thead>
<tr>
<th>KAM performance influencer</th>
<th>Total</th>
<th>Comp</th>
<th>Comp</th>
<th>Account</th>
<th>MKT.</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge</td>
<td>18</td>
<td>11</td>
<td>7</td>
<td>3</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Relation/trust</td>
<td>17</td>
<td>10</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Strategy/roadmap matching</td>
<td>12</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Involvement Supplier organization</td>
<td>8</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Project definition</td>
<td>6</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Process/Project execution</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Capabilities/behaviour/competencies</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Customer/end user market</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Competitor</td>
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<td>4</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Database quality</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Tools to account management</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Price</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>49</td>
<td>41</td>
<td>29</td>
<td>31</td>
<td>30</td>
</tr>
</tbody>
</table>

Table 8: Influences on KAM performance divided over companies and function areas, including colour code used in data matrix.

<table>
<thead>
<tr>
<th>KAM performance indicator is related to Sales growth</th>
<th>KAM performance indicator is related to Customer satisfaction increase</th>
<th>Proposition supported</th>
<th>Proposition conditionally supported</th>
<th>Proposition not supported</th>
</tr>
</thead>
</table>

Table 9: Colours used in data matrix for KAM performance indicators and support for propositions

<table>
<thead>
<tr>
<th></th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Manager (AM)</td>
<td>Sales growth/(decline) compared to average (based on historic results)</td>
<td>Increase/(decrease) of number of good (with NPS score 9) transfers</td>
</tr>
<tr>
<td>Marketing Manager (MM)</td>
<td>Sales growth/(decline) compared to related customer product sales growth</td>
<td>Increase/(decrease) Partner Satisfaction Survey (PSS) score</td>
</tr>
<tr>
<td>Process Manager (PM)</td>
<td>Sales growth/(decline)</td>
<td>Increase/(decrease) of customer satisfaction</td>
</tr>
</tbody>
</table>

Table 10: Most important key performance indicator per participant
### Company 1

<table>
<thead>
<tr>
<th>Account Manager (AM)</th>
<th>Marketing Manager (MM)</th>
<th>Process Manager (PM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having a better than average relation with the right people will give a sales growth higher than average, esp. on long term.</td>
<td>If the quality of the relations is very good, it will increase the number of good transfers. If the quality of the relations is very bad, it will decrease the number of good transfers.</td>
<td>If you know your competencies very well, it will result in customer satisfaction growth. If you don’t know your competencies, it will result in customer satisfaction decline.</td>
</tr>
<tr>
<td>Having a worse than average relation with the right people will give a sales growth lower than average, esp. on long term.</td>
<td></td>
<td>There is no clear relation between the quality of the network at the customer and customer satisfaction. A network at the customer helps to get the questions more clear, however in the end will not really improve customer satisfaction.</td>
</tr>
<tr>
<td>Better than average market and product knowledge will give a sales growth higher than average.</td>
<td>If the inventory of the strategic fit between research and the customer was made very well, it will result in an increase in the PSS score. If the inventory of the strategic fit between research and the customer was made very badly, it will result in a decrease in the PSS score.</td>
<td></td>
</tr>
<tr>
<td>Worse than average market and product knowledge will give a sales growth lower than average.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Better than average commercial and social capabilities will give a sales growth higher than average.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worse than average commercial and social capabilities will give a sales growth lower than average.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If the quality of the relations is very good, it will increase the number of good transfers. If the quality of the relations is very bad, it will decrease the number of good transfers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very good knowledge of customer corresponds with more than average sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A very bad knowledge of customer corresponds with less than average sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A very good relation with the customer corresponds with more than average sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A very bad relation with the customer corresponds with less than average sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A very good knowledge of our own value proposition corresponds with more than average sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A very bad knowledge of our own value proposition corresponds with less than average sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you know your competencies very well, it will result in customer satisfaction growth. If you don’t know your competencies, it will result in customer satisfaction decline.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very good understanding of customers strategy will give sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No understanding of customers strategy will not give sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very good ability of Account Manager to present a value proposition to the customer will give sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No ability of Account Manager to present a value proposition to the customer will not give sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If roadmaps between own company and customer match very well, it will result in sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If roadmaps between own company and customer don’t match, it will not result in sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If the right tools for day-to-day account manager activities are available it will result in sales growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If the right tools for day-to-day account manager activities are not available it will not result in sales growth.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 11: Variables influencing KAM performance
<table>
<thead>
<tr>
<th>Role</th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Manager (AM)</td>
<td>If the <strong>own company’s roadmap is very well aligned with the customer roadmap</strong>, it will result in a sales growth higher than average. If the <strong>own company’s roadmap is not aligned at all with the customer roadmap</strong>, it will result in a sales growth lower than average.</td>
<td>If the research question &amp; scope is defined very well, it will increase the number of good transfers. If the research question &amp; scope is defined very badly, it will decrease the number of good transfers.</td>
</tr>
<tr>
<td>Marketing Manager (MM)</td>
<td>A very good picture of the customer gives a more than average sales growth. A very bad picture of the customer gives a less than average sales growth.</td>
<td>If the project execution is well above the customer’s expectation, it will result in an increase in the PSS score. If the project execution is well below the customer’s expectation, it will result in a decrease in the PSS score.</td>
</tr>
<tr>
<td>Process Manager (PM)</td>
<td>If the <strong>sales process is done well</strong> it will increase the chance of sales growth (<strong>there is no guarantee for sales growth</strong>) If the <strong>sales process is not done well</strong> it will decrease the chance of sales growth</td>
<td>If requirement evaluation is done very well, it will result in customer satisfaction growth If requirement evaluation is done very badly, it will result in customer satisfaction decline</td>
</tr>
</tbody>
</table>

Table 12: Direct sales activities variables influencing KAM performance
### Table 13: Feedback on Proposition 1

<table>
<thead>
<tr>
<th>Role</th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
</table>
| Account Manager (AM)         | Solutions offered to the customer that are very well based on identified customer problems (coming from roadmap alignment) will result in a sales growth higher than average.  
Solutions offered to the customer that are not based at all on identified customer problems (coming from roadmap alignment) will result in a sales growth lower than average. | If solutions offered to the customer are based very well on identified customer problems, it will increase the number of good transfers.  
If solutions offered to the customer are not based on identified customer problems, it will decrease the number of good transfers. |
| Marketing Manager (MM)       | Solutions offered to the customer that are very well based on identified customer problems give a more than average sales growth.  
Solutions offered to the customer that are not at all based on identified customer problems give a less than average sales growth.  
Timing of the solution running fully in parallel with the project timing at the customer gives a more than average sales growth.  
Timing of the solution not running in parallel at all with the project timing at the customer gives a less than average sales growth. | If solutions offered to the customer are based on identified customer problems, it will result in an increase of the PSS score,  
If solutions offered to the customer are not based on identified customer problems, there is no clear relation with the PSS score, it depends on how this is done. |
| Process Manager (PM)         | When solutions offered to the customer are based on identified customer problems it will result in sales growth.  
When solutions offered to the customer are not based on identified customer problems it will result in sales decline. | If solutions offered to the customer are based on identified customer problems that affect the whole organization, it will result in customer satisfaction growth.  
If solutions offered to the customer are not based on identified customer problems that affect the whole organization, it will result in customer satisfaction decline. |
<table>
<thead>
<tr>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Account Manager (AM)</strong></td>
<td>If the customer is very successful in their market, it will strengthen the effect of proposition 1</td>
</tr>
<tr>
<td></td>
<td>If the customer is very unsuccessful in their market, it will weaken the effect of proposition 1</td>
</tr>
<tr>
<td></td>
<td>If the strategic fit between research and the customer is very good, it will strengthen proposition 1</td>
</tr>
<tr>
<td></td>
<td>If the strategic fit between research and the customer is very bad, it will weaken proposition 1</td>
</tr>
<tr>
<td><strong>Marketing Manager (MM)</strong></td>
<td>A very good relation will increase the effect of proposition 1</td>
</tr>
<tr>
<td></td>
<td>A very bad relation will decrease the effect of proposition 1</td>
</tr>
<tr>
<td></td>
<td>If the trust factor between research and the customer is very low, it will weaken the effect of proposition 1</td>
</tr>
<tr>
<td></td>
<td>If the trust factor between research and the customer is very high, it will not really strengthen the effect of proposition 1 (it is more a condition which works single sided)</td>
</tr>
<tr>
<td><strong>Process Manager (PM)</strong></td>
<td>If the internal organization supports the delivery of this solution very well, it will increase the effect of proposition 1 (supporting the delivery of the solution can be considered as a condition for proposition 1)</td>
</tr>
<tr>
<td></td>
<td>If the internal organization supports the delivery of this solution very badly, it will decrease the effect of proposition 1.</td>
</tr>
<tr>
<td></td>
<td>If the price is very high, it will weaken the effect of proposition 1</td>
</tr>
<tr>
<td></td>
<td>If the price is very low, it will strengthen the effect of proposition 1</td>
</tr>
</tbody>
</table>

Table 14: Moderating factors to Proposition 1
<table>
<thead>
<tr>
<th>Position</th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Manager (AM)</td>
<td>Very well aligned Products, Services and Prices will result in a sales growth higher than average. Completely unaligned Products, Services and Prices will result in a sales growth lower than average.</td>
<td>If the alignment on price and service with the project manager is done very well, it will increase the number of good transfers. If the alignment on price and service with the project manager is done very badly, it will decrease the number of good transfers.</td>
</tr>
<tr>
<td>Marketing Manager (MM)</td>
<td>S/M alignment done with input from customer very well included will give a more than average sales growth. S/M alignment done without any input from customer included will give a less than average sales growth.</td>
<td>If the interaction between the account manager and the strategic level in the research organization is becoming better, it will result in an increase of the PSS score. If the interaction between the account manager and the strategic level in the research organization is becoming worse, it will result in a decrease of the PSS score.</td>
</tr>
<tr>
<td>Process Manager (PM)</td>
<td>If the Account Manager provides the right input based on customer information, the chance of sales growth will be bigger. If the Account Manager does not provide the right input based on customer information, the chance of sales growth will be lower.</td>
<td>If customer stakeholder visits are done very well, it will result in customer satisfaction growth. If customer stakeholder visits are done very badly, it will result in customer satisfaction decline.</td>
</tr>
</tbody>
</table>

Table 15: Sales/marketing alignment variables influencing KAM performance

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63
Very well aligned Products, Services and Prices will result in a sales growth higher than average
Completely unaligned Products, Services and Prices will result in a sales growth lower than average

If product, price, service and emotional factors for key accounts are very well aligned, it will increase the number of good transfers.
If product, price, service and emotional factors for key accounts are very badly aligned, it will decrease the number of good transfers.

Very well aligned product, price and service for key accounts will give a more than average sales growth
Completely unaligned product, price and service for key accounts will give a less than average sales growth

If Product, price and service for key accounts are well aligned, it will result in an increase of the PSS score.
If Product, price and service for key accounts are not aligned, it will result in a decrease of the PSS score.

If product, price and service for key accounts are very well aligned, it will give sales growth.
If product, price and service for key accounts are very badly aligned, it will give sales decline.

If the right capabilities are available, it will strengthen the effect of proposition 2
If the wrong capabilities are available, it will weaken the effect of proposition 2

Being best in class will increase the effect of proposition 2
Being much less than best in class will decrease the effect of proposition 2

If the competency is very good, it will strengthen the effect of proposition 2
If the competency is very bad, it will weaken the effect of proposition 2

If the competitor has a worse offering it will increase the effect of proposition 2.
If the competitor has a better offering it will decrease the effect of proposition 2.

If the customer insight is very good, it will strengthen the effect of proposition 2
If the customer insight is very bad, it will weaken the effect of proposition 2

<table>
<thead>
<tr>
<th>Table 16: Feedback on Proposition 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company 1</strong></td>
</tr>
<tr>
<td>Account Manager (AM)</td>
</tr>
<tr>
<td>Marketing Manager (MM)</td>
</tr>
<tr>
<td>Process Manager (PM)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 17: Moderating factors to Proposition 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company 1</strong></td>
</tr>
<tr>
<td>Account Manager (AM)</td>
</tr>
<tr>
<td>Marketing Manager (MM)</td>
</tr>
<tr>
<td>Process Manager (PM)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Table 16: Feedback on Proposition 2</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company 1</strong></td>
</tr>
<tr>
<td>Account Manager (AM)</td>
</tr>
<tr>
<td>Marketing Manager (MM)</td>
</tr>
<tr>
<td>Process Manager (PM)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Table 17: Moderating factors to Proposition 2</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company 1</strong></td>
</tr>
<tr>
<td>Account Manager (AM)</td>
</tr>
<tr>
<td>Marketing Manager (MM)</td>
</tr>
<tr>
<td>Process Manager (PM)</td>
</tr>
<tr>
<td>Role</td>
</tr>
<tr>
<td>-------------------------------</td>
</tr>
<tr>
<td><strong>Account Manager (AM)</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Marketing Manager (MM)</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Process Manager (PM)</strong></td>
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<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Table 18: Customer management activities variables influencing KAM performance
<table>
<thead>
<tr>
<th>Process Manager (PM)</th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>If a lot of effort is put in creating a relationship and increasing customer satisfaction, this will increase the chance of sales growth.</td>
<td>If a lot of effort was put in creating a relationship and increasing customer satisfaction, it will result in customer satisfaction growth</td>
<td>If a lot of effort was put in creating a relationship and increasing customer satisfaction, it will result in customer satisfaction decline</td>
</tr>
<tr>
<td>If no effort is put in creating a relationship and increasing customer satisfaction, this will decrease the chance of sales growth.</td>
<td>If no effort was put in creating a relationship and increasing customer satisfaction, it will result in customer satisfaction decline</td>
<td></td>
</tr>
</tbody>
</table>

Table 19: Feedback on Proposition 3

<table>
<thead>
<tr>
<th>Process Manager (PM)</th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the competitor technology has features that are better perceived by the customer, it will decrease the effect of proposition 3.</td>
<td>If the match between our competencies and the customer requirements is very good, it will strengthen proposition 3.</td>
<td>If the match between our competencies and the customer requirements is very bad, it will weaken proposition 3.</td>
</tr>
<tr>
<td>If the competitor technology has features that are worse perceived by the customer, it will increase the effect of proposition 3.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 20: Moderating factors to Proposition 3
<table>
<thead>
<tr>
<th><strong>Account Manager (AM)</strong></th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>When knowledge about end-use markets is gathered very well, the sales growth will be higher than average.</td>
<td></td>
<td>If the deployment of end-user application knowledge to the research organization is done very well, it will increase the number of good transfers.</td>
</tr>
<tr>
<td>When knowledge about end-use markets is not gathered at all, the sales growth will be lower than average.</td>
<td></td>
<td>If the deployment of end-user application knowledge to the research organization is done very badly, it will decrease the number of good transfers.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Marketing Manager (MM)</strong></th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full openness of information for all internal parties involved will give a more than average sales growth.</td>
<td></td>
<td>If the account manager fills the customer knowledge gaps very well, at long term it will result in an increase of the PSS score.</td>
</tr>
<tr>
<td>No openness of information at all for all internal parties involved will give a less than average sales growth.</td>
<td></td>
<td>If the account manager fills the customer knowledge gaps very badly, at short term it will result in a decrease of the PSS score.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Process Manager (PM)</strong></th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the account manager takes care very well of gathering customer knowledge and deploying that into the organization, it will increase the chance of sales growth.</td>
<td></td>
<td>If the Value Proposition House is initially very well based on customer requirements, it might result in customer satisfaction growth.</td>
</tr>
<tr>
<td>If the account manager does not take care well of gathering customer knowledge and deploying that into the organization, it will decrease the chance of sales growth.</td>
<td></td>
<td>If the Value Proposition House is initially very badly based on customer requirements, it might result in customer satisfaction decline.</td>
</tr>
</tbody>
</table>

Table 21: Customer knowledge management activities variables influencing KAM performance
When key account customer databases containing customer information, customer product specifications and customer forecasts are used very well, the sales growth will be higher than average. When key account customer databases containing customer information, customer product specifications and customer forecasts are not used at all, the sales growth will be lower than average.

There is no clear relation between the use of key account customer databases and the number of good transfers.

Using Key account customer databases very well will give a more than average sales growth. Not using Key account customer databases at all could give a less than average sales growth.

Pay attention that quality of data, transparency, structure and user friendliness also plays a role.

There is no clear influence of the use of key account customer databases on the PSS score.

The effect of using key account customer databases on sales growth is not clear. The effect of not using key account customer databases on sales growth is not clear.

If key account customer databases intended as a toolbox to support the Key Account Manager are used, it will result in customer satisfaction growth. If key account customer databases not intended as a toolbox to support the Key Account Manager are used, it will result in customer satisfaction decline.

Table 22: Feedback on Proposition 4
If the customer project using our products is cancelled, there will be no sales growth at all. If the customer project using our products is not cancelled, there will be sales growth, not sure if this will be higher than average. So this moderating variable does not really strengthen or weaken proposition 4, but is more an enabler to let the use of key account customer databases result in sales growth.

**Marketing Manager (MM)**

- If the data quality is very high, it will strengthen proposition 4
- If the data quality is very low, it will weaken proposition 4

**No moderating effects known**

**Process Manager (PM)**

- No moderators can be found.
- If the ratio between relevant data fields and irrelevant data fields is high, it will strengthen proposition 4.
- If the ratio between relevant data fields and irrelevant data fields is low, it will weaken proposition 4.

<table>
<thead>
<tr>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Account Manager (AM)</strong></td>
<td><strong>Marketing Manager (MM)</strong></td>
</tr>
<tr>
<td>If the customer project using our products is cancelled, there will be no sales growth at all. If the customer project using our products is not cancelled, there will be sales growth, not sure if this will be higher than average. So this moderating variable does not really strengthen or weaken proposition 4, but is more an enabler to let the use of key account customer databases result in sales growth.</td>
<td>If the data quality is very high, it will strengthen proposition 4 If the data quality is very low, it will weaken proposition 4</td>
</tr>
</tbody>
</table>

Table 23: Moderating factors to Proposition 4
<table>
<thead>
<tr>
<th>Role</th>
<th>Company 1</th>
<th>Company 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Manager (AM)</td>
<td><strong>Relation management, value proposition management</strong> and <strong>market influence</strong> are the most important factors that influence KAM performance.</td>
<td>The definition phase is very important: the question &amp; scope has to be defined well. The right stakeholders have to be involved in this, and a loop has to be in place to make sure the final result will be the right question. The most important moderating factor is the strategic fit: The capabilities have to match the customer application area. And we should have a good understanding of the kind of relationship the customer is looking for: e.g. transactional different from strategic.</td>
</tr>
<tr>
<td>Marketing Manager (MM)</td>
<td><strong>Knowing the customer, relation with the customer, share knowledge in organization and knowing our value propositions and be able to match these very well to customer needs</strong> are the most important factors that influence KAM performance.</td>
<td>The customer focus and the behaviour of the account manager are the most important factors. Account management can not be isolated from the rest of the organization, account management activities should be more formalized (“it should not float”). “In research or any other knowledge focused service providing company, account management is more crucial than marketing or sales.”</td>
</tr>
<tr>
<td>Process Manager (PM)</td>
<td>The identification of the needs of the customer, and based on this providing a value proposition with a clear commitment from the internal organization is the most important factor that will improve key account management performance.</td>
<td>Know or own organization, know your customer, select opportunities well (separate good opportunities from bad ones)</td>
</tr>
</tbody>
</table>

Table 24: Most important final conclusions
# Appendix 5: Summary influence of KAM activities and organizational aspects on KAM performance

<table>
<thead>
<tr>
<th>KAM Category</th>
<th>KAM Activity</th>
<th>Influence on performance</th>
<th>How to perform activity</th>
<th>Moderators (if mentioned)</th>
<th>Differences companies (if clear)</th>
<th>Differences functional areas (if clear)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct sales activities</td>
<td>Requirement definition</td>
<td>Clearly positive</td>
<td>- Define question and scope well</td>
<td>- Clearly more mentioned by Company 2</td>
<td>- Account managers mention this clearly more than other groups</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Select opportunities well</td>
<td>- Company 3 focuses on getting information about the customer</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Make sure own and customer project timing doesn't conflict</td>
<td>- Company 2 focuses on defining project with the customer</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Positively surprise the customer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process/Project execution</td>
<td></td>
<td>Clearly positive</td>
<td>- Involve higher management</td>
<td>- Clearly more mentioned by Company 1</td>
<td>- Account managers mention this clearly less than other groups</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Share customer knowledge with native organization</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Make sure whole native organization is customer focused</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Get commitment from native organization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involve native organization well</td>
<td></td>
<td>Clearly positive</td>
<td>- Align own roadmap with customers roadmap</td>
<td>- Relation and trust</td>
<td>- Both marketing managers mention relation/trust as moderator factors, other functional groups mention other things</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Problems to be selected should affect the whole (not only a small part of the) customer organization</td>
<td>- Support internal organization</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Find solution for the problems the customer is not aware of yet</td>
<td>- Success customer in their own market</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Strategic fit with customer</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>- Price</td>
<td></td>
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</tr>
<tr>
<td>Proposition 1: Base solution on identified customer problems</td>
<td>Align own products, roadmaps and strategy with the customers products, roadmaps and strategy</td>
<td>Clearly positive</td>
<td>- Pay attention to emotional factors (create new experience) at the customer</td>
<td>- Relation</td>
<td>- For moderating factors Company 1 is clearly focusing on the status compared to the competitor, and Company 2 is clearly focusing on own capabilities/competencies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Include product cost price development in alignment</td>
<td>- Status compared to own competitor</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Include logistics toward customer in alignment</td>
<td>- Customer knowledge</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Discuss status compared to own competitor</td>
<td>- Capabilities/competencies</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Discuss customer market and end-use market</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposition 2: Alignment products, services and prices</td>
<td>Create relation and customer satisfaction</td>
<td>Clearly positive</td>
<td>- Use customer satisfaction measurements</td>
<td>- Importance of the solutions to customer</td>
<td>Both companies support proposition 3, but within Company 2 the support is stronger (without any conditions) than in Company 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Ask and use supplier ranking by customer</td>
<td>- Match between customer requirements and own competencies</td>
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<td></td>
<td></td>
<td></td>
<td>- Evaluate match customer requirements and own competencies</td>
<td>- Competitor technology</td>
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<td></td>
<td></td>
<td></td>
<td>- Identify stakeholders / interact with stakeholders (contact schedule) + take care of customer intimacy</td>
<td>- Customer focus of the whole organization</td>
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<td></td>
</tr>
<tr>
<td>Customer management</td>
<td>Create relation and customer satisfaction</td>
<td>Clearly positive</td>
<td>- Make sure account manager has good relational skills</td>
<td>- Both companies support proposition 3, but within Company 2 the support is stronger (without any conditions) than in Company 1</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Put more effort in relation/customer satisfaction than competitors</td>
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<td></td>
<td></td>
<td></td>
<td>- Make whole native organization is customer focused</td>
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<td></td>
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</tr>
<tr>
<td>Customer knowledge management</td>
<td>Account manager should actively deploy customer knowledge in native organization</td>
<td>Clearly positive</td>
<td>- Account manager should gather customer information (or coordinate gathering), and is responsible for deployment</td>
<td>- Both account managers mention end-user knowledge as most important influencer</td>
<td>Both marketing managers mention deploying customer knowledge into the organization as most important influencer</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Deploy end-user knowledge as well</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Make sure all relevant functional areas are informed</td>
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<td></td>
<td></td>
<td></td>
<td>- Make inventory of &quot;customer knowledge gaps&quot; in native organization</td>
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<td></td>
<td></td>
<td></td>
<td>- Make sure customer knowledge is used in value proposition houses and project definitions</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Proposition 4: Use key account customer databases</td>
<td></td>
<td>No clear relation</td>
<td>- Should contain information, product specifications and forecasts from customer</td>
<td>- Status customer project</td>
<td>Both marketing managers mention deploying customer knowledge into the organization as most important influencer</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Data quality, transparency, structure and user friendliness should be good</td>
<td>- Data quality</td>
<td>Both marketing managers mention deploying customer knowledge into the organization as most important influencer</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Should be intended as a toolbox to support KAM</td>
<td>- Ratio between relevant and irrelevant data-fields</td>
<td>Both marketing managers mention deploying customer knowledge into the organization as most important influencer</td>
<td></td>
</tr>
</tbody>
</table>

Table 25: The influence of Key Account Management activities and organizational aspects on KAM performance