The essence of KAM/GAM programme design
Exploring methodology, governance, and organisation

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Setting the framework for thinking about K/GAM

When considering the design of a Key or Global Account Management (K/GAM) initiative, one of the first questions to address is which methodology and governance mechanisms to use to ensure the program is well designed and implemented and will stay on track. This paper explores the respective scope of methodology and governance, offering guiding principles to bring them to life in the real world.

Four fundamental questions for K/GAM implementation

True Key & Global Account Management is about developing privileged relationships with strategically important customers, beyond mere purchase volume. K/GAM is more than a super sales technique; it is a company-wide initiative involving multiple functions beyond the sales team, requiring new and collaborative ways to achieve corporate goals. When designing or improving a K/GAM program, the designers of the initiative must address four fundamental questions:

1. Who makes strategic decisions on the scope and perimeter of the K/GAM initiative, and what are the recurring rituals to review and make those decisions?

2. Who owns the Key/Global Accounts and is responsible and accountable for business results?

3. Who owns, develops, rolls-out and maintain the methods, processes, and tools used to execute K/GAM?

4. What are the reporting lines for staff involved in managing

Key/Global Accounts and how is alignment of K/GAM-specific goals ensured?

Operational experience shows that there is no one-size-fits-all answers to these questions, but there are elements common to most. All successful companies have found adequate answers in terms of organization and operation.

The duality of K/GAM

K/GAM has a dual aspect: it is both a strategic instrument and a specific operating system.

- A strategic instrument because it is a key element of the company's Go-To-Market strategy.

- A specific operating system because it introduces cross-functional K/GAM specific processes, tools and rituals which must be standardised and flexible enough to adapt to diverse situations.

So designing and rolling-out a K/GAM initiative requires a **Programme-based approach**, while keeping a constant eye on well-defined strategic and operational goals.

Many factors can influence how the K/GAM programme must be managed: the company's size and structure, the nature of the offering, the structure of the customer base and finally, the company's culture.

Defining KAM methodology and governance

In K/GAM, vocabulary and titles can vary significantly between companies. To a certain extent, this is not an issue if the meaning of each term is well understood within the organization.

The following definitions for KAM Methodology and KAM Governance are used here. Other KAM practitioners might have a slightly different view on how the methodology and the governance complement each other's.

- **KAM Methodology:** All concepts, methods, processes, tools, and

rituals used to design, implement, review, and improve a K/GAM initiative.

- **KAM Governance:** All the K/GAM processes and rituals that enable strategic decision-making, high-level goal setting, performance reviews, and resource allocation.

In the above definition, KAM governance is a specific constituent of overall KAM methodology and the clear remit of the C-level. This definition of KAM methodology answers the question of C-level Executives asking themselves: *"Why and how to implement a K/GAM initiative? How to make sure that we are fully equipped to execute properly?"*

The definition of KAM Governance answers the question of C-level Executives asking themselves *"Which decision-making and control processes do we need to implement at Executive level in order that our K/GAM Programme properly serves the defined strategic goals, while making a wise use of resources?"*

Below is a synthetic generic description of the respective content of KAM Methodology and KAM Governance (not intended to be exhaustive).

Topics covered by KAM Methodology

- Evaluating the relevance and need of KAM for the company and making a proposal at Executive level.

- Assessing the maturity/ readiness of the organization to launch a KAM programme

- Defining and implementing KAM Governance (as described below).

- Segmenting the account base and specifying the criteria defining a Key Account.

- Defining the roles of Key Account Managers and of Executive Sponsors.

- Defining cross-functional account teams and their roles.

- Defining the contributions from support functions.

- Identifying the required adaptation

of the organization to properly execute K/GAM.

- Designing and implementing K/GAM specific operational processes and rituals aligned with the company's existing processes

- Defining the tools to build, implement, monitor account plans.

- Driving the design, implementation, and monitoring of account plans.

- Operationalizing K/GAM goals into dashboards for various levels.

- Working with Human Resources on capabilities, compensation, and succession planning.

- Implementing K/GAM-related training and development.

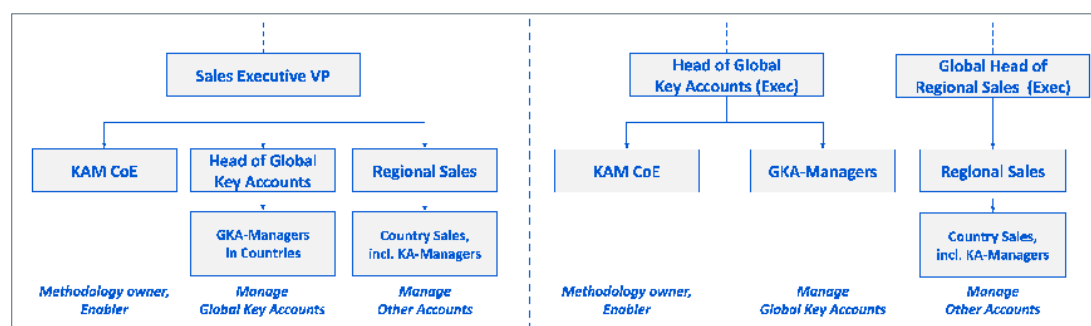- Connecting the K/GAM program to other key initiatives.

Topics covered by KAM Governance

- Making the executive-level decision on launching a KAM programme and its exact perimeter.

- Defining the long-term vision and transformational impact of the KAM programme on the company.

- Setting the scope and goals of the K/GAM program.

- Making the final decision on the selection of key accounts, their total number, and implementing a regular selecting and deselecting process.

- Making decisions on adaptations of the organization to execute KAM.

- Aligning K/GAM-related goals across the organization (way beyond the sales team).

- Implementing a KAM Steering Committee and ensuring it is fully operational.

- Managing resource allocation, service levels, and priorities between Key Accounts and other accounts, and resolving conflicts when they occur.

Achieving the right balance

Building an efficient KAM programme requires achieving a balance between two dangerous (and unfortunately quite frequent) extremes: having too little or too much methodology.

- **Too little methodology:** results in inadequate planning and execution. Typical examples are

Two examples of an "ideal", but rare, organisational set-up – The KAM CoE Leader & the Key Account Managers report to the same Executive.

unclear criteria for defining key accounts, poorly designed account plan templates that do not support a deep analysis of a customer, and building virtual account teams but failing at helping them to define how they work efficiently together.

- **Too much methodology:** creates unnecessary complexity and time consumption. For example, a far-too-complex account plan template that is time consuming to fill but fails at articulating a clear growth strategy and clear contribution expected from each account team member.

Similarly, governance can be insufficient or excessive, leading to poor decision-making or to bureaucratic slowdowns.

- **Not enough governance:** when key information is not efficiently shared across the organisation, critical parameters of the programme's performance are not monitored and important decisions are not made at the right level. Typical examples are lacking a clear process to deselect accounts who should not be considered as strategic any longer, or not monitoring the cost and return on investment of special services provided to strategic customers.

- **Too much governance:** when an excess of processes and meetings slows down the execution of the K/GAM initiative while increasing its costs in terms of resources. Typical examples are too many and too long account and programme reviews that are highly time consuming for both key account managers and the Executives involved.

All in all, it is the shared responsibility of the Executives involved in K/GAM and of the owner of the Centre of Excellence (or its equivalent) to ensure that the K/GAM initiative is properly managed, avoiding the traps of bureaucracy on

one hand, and of 'flying blind' on the other hand.

Building the organisation and driving implementation

With the key constituents of KAM Methodology and KAM Governance defined, the designers of the K/GAM initiative/programme must explore how to organise for its execution.

Building the K/GAM programme with a KAM Centre of Excellence

The safest way to implement a K/GAM initiative is to have a dedicated team or an individual responsible for the development and implementation of the KAM Methodology.

Larger companies, often call this team a KAM Centre of Excellence (CoE). Some other organisations use the terms KAM Programme Office (KPO) for the team, and KAM Programme Manager (KPM) for the team leader or topic expert. The CoE's or KPO's mission is to build and implement all elements of the KAM Methodology and to function as a guide and an advisor to the rest of the organisation.

Shared ownership of responsibilities

The CoE's role and power depends on the organizational setup and reporting lines. It can lead or advise on KAM Governance and Methodology implementation.

The most favourable situation is when the CoE and Key/Global Account Managers report to the same Executive, ensuring proximity and easy alignment. However, in most companies, K/GAM-related operational responsibilities are shared between several teams, requiring strong alignment processes and a collaborative culture.

Practical recommendations for implementing KAM

For an organisation aiming at creating a KAM initiative, or at improving an existing one, the practical consequences of the principles presented above are as follows.

• As a preliminary step, the Executive team as well as the potential leader of the KAM CoE (or KAM Programme Manager) should take sufficient time to educate themselves on the fundamentals of KAM and the implications for the organisation. Running one or several KAM Executive Workshops is an efficient approach.

• The KAM Methodology and governance should be developed and implemented progressively with a clear view of the sequence of development and validation of the various elements.

• Progress and challenges should be reviewed regularly, checking the relevance and efficiency of the operational and governance processes and tools implemented.

• KAM-related organisational changes should not be rushed. Different options should be carefully explored and evaluated before making a decision and implementing the agreed adaptations.

Real-life examples of implementation

The following short case studies illustrate the variety of real-life K/GAM implementations, each demonstrating the application of clear methodology and governance principles.

Case Study 1: Global industrial company

The classic approach: leveraging a CoE in support of multiple divisions.

A large global industrial company has been on the leading edge of K/GAM for over 25 years. The company has multiple divisions, each with global operations.

K/GAM Management is a crucial constituent of the company's operating model. Consequently, a central **KAM Centre of Excellence** (KAM CoE) is chartered to define the K/GAM Methodology with all the associated processes and tools. The CoE operates as a resource to help all divisions implement K/GAM at regional and global levels.

Each division runs its own K/GAM program with Tier 1 (global) and Tier 2 (regional) strategic customers. The KAM CoE provides training and skills development services, standardized tools and processes, and advisory services. The definition of the goals, the implementation of the K/GAM initiative, and the governance processes are the responsibility of each division.

On top of the division-level K/GAM programs, a small number of exceptionally large customers buying from multiple divisions are defined as **Corporate Strategic Customers**. These accounts are managed by Corporate Global Account Managers (C-GAMs) chartered to coordinate a K/GAM approach across all relevant divisions. These C-GAMs report to a senior executive with the title Head of Corporate Strategic Accounts. Their work consists of building a cross-divisional account plan and coordinating the work of division-level Global Account Managers.

The governance of the Corporate Global Strategic Customers consists of quarterly reviews of the program and account-specific reviews twice a year. Regular function-specific reviews are also organized, especially for R&D, Manufacturing, Quality, and Logistics.
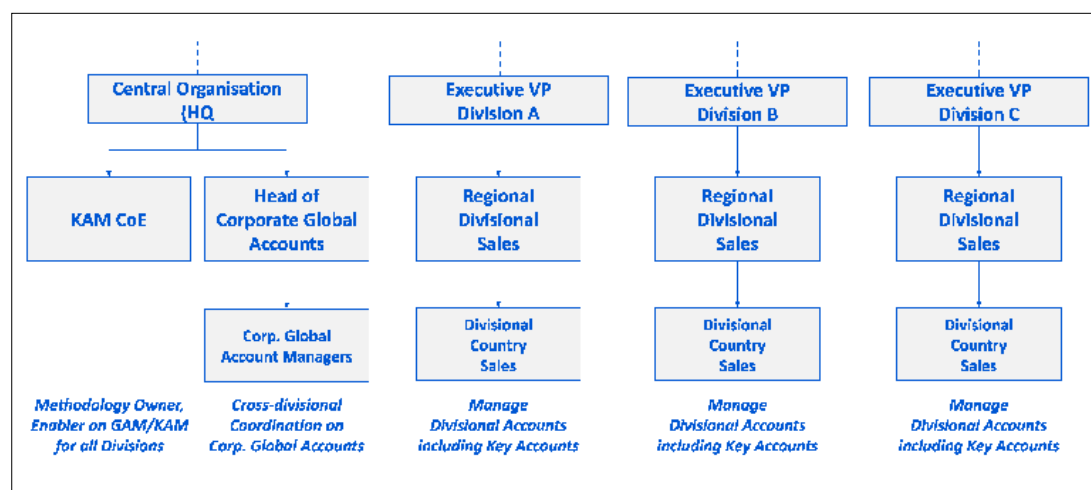
This model has been well accepted and has functioned well for years. Unfortunately, the arrival of a new CEO, whose primary goal is to reduce all central resources, has recently led to the abrupt end of the Corporate Global Account Program and of the existence of the central KAM CoE team. How the knowledge and experience about K/GAM will be leveraged in the future and how the divisions will continue executing their K/GAM initiatives is unclear.

Advantages.

• Enables a large and complex organisation to rely on a standardised K/GAM methodology.

• Creates and maintains a shared K/GAM culture, ways to operate, and the habit of sharing experience.

• Does not intrude in divisions who have the full freedom to define the scope of their K/GAM initiative in line with the specifics of their business.

Disadvantages

• The coordination of Corporate Global Accounts remains loose as the central team has no hierarchical link with the teams in the various divisions.

Central Organisation (HQ		Executive VP Division A	Executive VP Division B	Executive VP Division C
KAM CoE	Head of Corporate Global Accounts	Regional Divisional Sales	Regional Divisional Sales	Regional Divisional Sales
	Corp. Global Account Managers	Divisional Country Sales	Divisional Country Sales	Divisional Country Sales
Methodology Owner, Enabler on GAM/KAM for all Divisions	*Cross-divisional Coordination on Corp. Global Accounts*	*Manage Divisional Accounts including Key Accounts*	*Manage Divisional Accounts including Key Accounts*	*Manage Divisional Accounts including Key Accounts*

Case Study 1 KAM organisation
KAM Centre of Excellence enables all divisions to operate the KAM Programme

Case Study 2: Midsize global industrial company

A KAM Programme lead and links to the Sales Excellence initiative

A global industrial company with 3,000 employees launched a sales excellence initiative based on four pillars: a clear sales strategy aligned with corporate goals, enhanced sales management, value-based selling methodology, and a basic account management methodology applied to all customers. The Sales Excellence Initiative is led by a senior manager reporting directly to the Executive Vice-President in charge of Marketing & Sales, supported by a small team.

Given the structure of the customer base, with a few customers contributing to over 65% of the revenue and all the advanced joint development projects, the company decided to complement its sales excellence Initiative with a GAM programme. First, a series of workshops were organised with the Executive team to educate them on K/GAM and equip them with the necessary knowledge to make the first decisions.

To drive the definition of the methodology and its implementation, a position of **GAM Programme Lead** was created and filled by a very senior Global Account Manager, who has demonstrated most of the skills required for the position. This person reports directly to the Executive Vice-President, Marketing & Sales.

With the help of an external consultancy, the GAM Programme Lead defined the key processes and tools: account plan templates, account dashboards, role definitions and key processes to drive alignment with support functions.

The GAM Programme Lead operates as 'primus inter pares' for his/her fellow Strategic Account Managers, leading the adoption of methods, tools, and best practices, providing advice and support, and managing the community of staff involved in the GAM program. The GAM Programme Lead also works very closely with the Sales Excellence Manager.

The organization structure has been slightly adapted, with the Strategic Account Managers of the Tier 1 Strategic Accounts reporting to a VP Global Head of Strategic Accounts and the Tier 2 Strategic Account Managers reporting to local General Managers.

The governance consists of regular reviews of the whole program during each Executive Team meeting, as well as regular account reviews with each Strategic Account Manager. In addition, GAM-specific regular meetings at the Executive level regularly take place for key functions such as R&D, Logistics, or Manufacturing & Quality.
After two and a half years of operation, that model has proven quite effective in driving cultural change. It developed
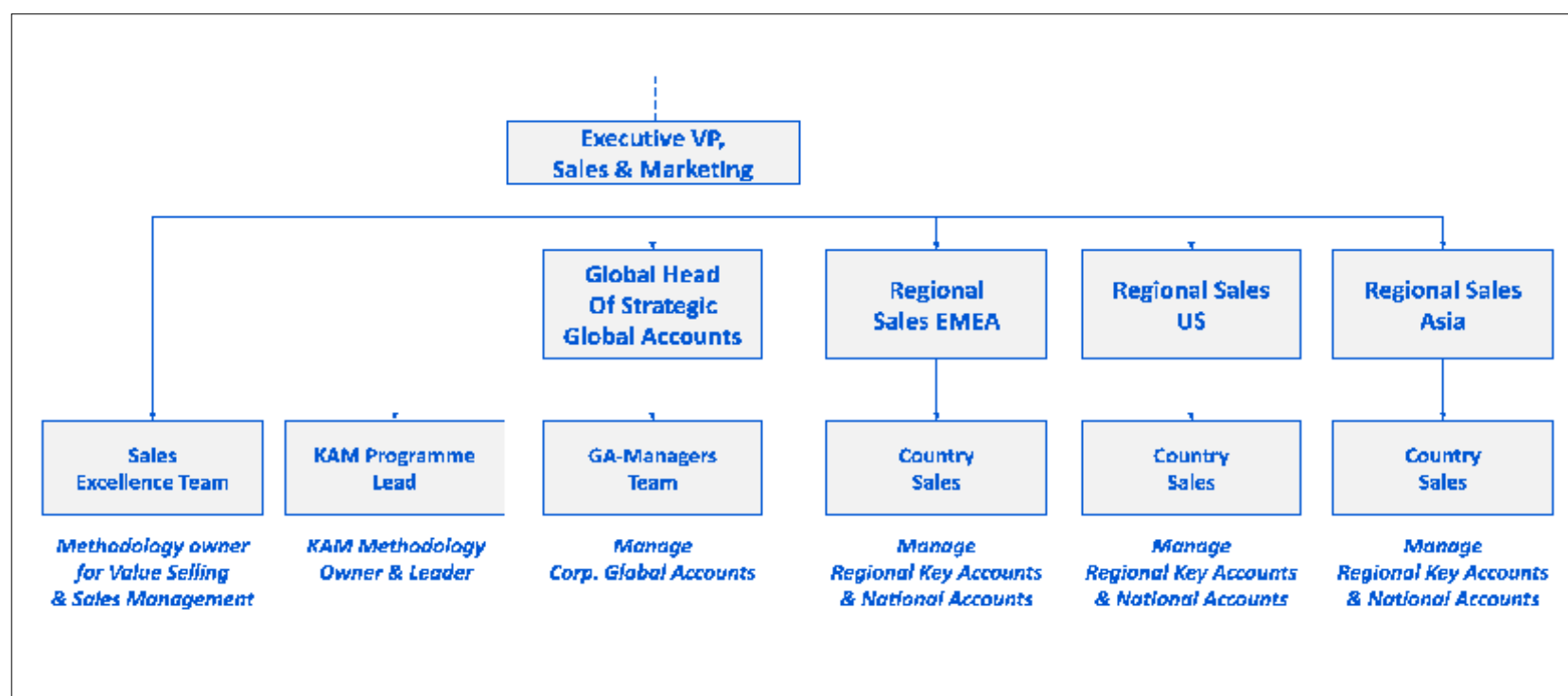
new cross-functional collaborative ways to work on strategic customers and generate new high-potential projects. As the program matures, an adaptation in the organization will be necessary, and different options are currently being explored.

Advantages.

- Positioning the KAM Programme Lead as the manager of a community of true Global/Key Account Managers.

- Collaboration between the central Sales Excellence function and the KAM Programme Lead ensures a coordinated development of tools and skills.

- The KAM Programme Lead can position him/herself as a key resource for the Head of Corporate Global Accounts and for Regional Directors and their Country Managers and teams.

Disadvantages

- The long-term position of the KAM Programme Lead, who might develop the ambition to become Head of Global Accounts.

- The people in charge of Tier 2 strategic accounts sometimes struggle to get the full support of their country or regional managers.

Case Study 2 KAM organisation
KAM Programme Lead supports both the Corporate Global Account Team and the region's own KAM initiatives.
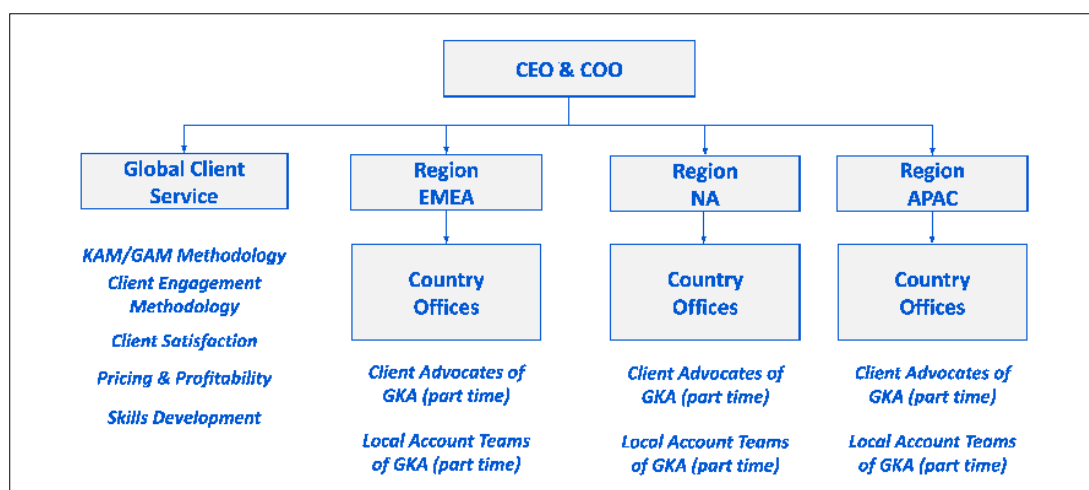
Case Study 3: Global PR agency

A smart and lean implementation of K/GAM concepts

A global agency with a staff of 650 in three continents (4 to 6 times smaller than its direct competitors) had a business model focused on key names in the IT, software and semiconductor industry. The leadership team had elaborated a strategy based on acquiring and retaining the most prestigious names, from established global giants to fast-growing international scale-ups.

To turn this strategic vision into a reality, the position of Global Client Service Director (GCSD) was created. The GCSD was part of the global leadership team. Their charter was to drive all efforts to retain and grow selected strategic customers while improving profitability.

Also in their charter was the development of required individual and collective KAM skills. In parallel, the position of Client Advocate was created. These most senior consultants oversaw strategic customers. In other companies, the Client Advocate would have had a Strategic Account Manager title. Their charter and the capabilities required for this position were formalized. Individualized development plans were defined and implemented.

All Client Advocates reported primarily to the General Manager of their country, while having a secondary (dotted line) reporting to the GCSD. In terms of governance, key decisions

Case Study 3 KAM organisational
G/KAM Methodology embedded in Client Service Function, enabling the whole organisation on complementary topics related to Customer Management.

about Strategic Accounts were made at the Global Leadership Team level, sometimes also at the Regional Leadership Team level. Global, regional, and country dashboards were used to set goals, monitor results, and manage the budget allocated to the program. The status of the program and the cost incurred versus budget were reviewed monthly during the Global and Regional Leadership Teams meetings.

All staff involved in that K/GAM initiative wore multiple hats. This did not prevent the initiative from being extremely successful. The agency beat all its competitors in all strategic accounts and kept growing revenue much faster than them.

Advantages.

- Very lean K/GAM approach with demonstrated efficiency.

- Integration of several key parameters that contribute to the client growth and profitability under the common umbrella of Client Service.

- Development of a global community of staff skilled on the most advanced parts of managing global clients.

Disadvantages

- Sometimes difficulties in driving total alignment on prioritisation of Global Accounts versus local ones.

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AKAM The Association for **Key Account Management**

Advancing the professional practice and performance of Key Account Management

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