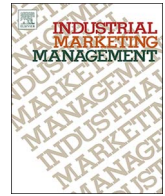




Contents lists available at ScienceDirect

## Industrial Marketing Management

journal homepage: [www.elsevier.com/locate/indmarman](http://www.elsevier.com/locate/indmarman)

## Mind the gap: A process model for diagnosing barriers to key account management implementation

Alexander Leischnig<sup>d</sup>, Björn S. Ivens<sup>a,\*</sup>, Barbara Niersbach<sup>b</sup>, Catherine Pardo<sup>c</sup>

<sup>a</sup> University of Bamberg, Feldkirchenstraße 21, 96052 Bamberg, Germany

<sup>b</sup> University of Applied Sciences Ravensburg-Weingarten, Doggenriedstraße, 88250 Weingarten, Germany

<sup>c</sup> EM Lyon, Avenue Guy de Collongue, Ecully Cedex, France

<sup>d</sup> Queen Mary University of London, School of Business and Management, London E1 4NS, United Kingdom

### ARTICLE INFO

#### Keywords:

Differentiation  
Effectiveness  
Implementation  
Integration  
Key account management

### ABSTRACT

Today, many firms develop and implement key account management (KAM) programs to manage the relationships with strategically important customers. The implementation of KAM programs requires the configuration of special activities, actors, and resources dedicated to key accounts, which poses major challenges for managerial practice. Firms often underestimate the fundamental organizational change required for a successful implementation of KAM. The objective of this article is to advance extant knowledge on KAM by developing a framework that outlines essential processes to assess and diagnose barriers to KAM implementation. In our article, we integrate extant knowledge on KAM organization and enactment, and we propose a four-step process model that links the concepts of embeddedness, differentiation, integration, and alignment. In addition, we illustrate our model in a case study analysis with a large-scale European industrial company. The findings of our study allow us to derive avenues for further research on KAM implementation as well as implications for management practice.

### 1. Introduction

Key account management (KAM) has become an important means for firms to create competitive advantage and has received strong interest in both management practice and academic research. Today, businesses in a wide range of industries develop and implement programs to manage strategically important customers and the relationships with these key accounts (KAs) (Håkansson & Snehota, 1995; Ivens, Pardo, & Tunisini, 2009). With KAM, firms transfer the principles of relationship marketing to customer management: firms identify KAs in the existing customer portfolio, analyze them, and they develop strategies and operational capabilities to address the demands of the KAs and build long-term cooperative relationships with them (Ivens & Pardo, 2007; Ojasalo, 2001; Ryals & Humphries, 2007). As such, KAM requires particular actors, activities, resources, and formalization to create value in KA relationships and appropriate value from these relationships (Homburg, Workman, & Jensen, 2002; Workman, Homburg, & Jensen, 2003).

Yet, the implementation of KAM in firms poses major challenges, with many firms struggling or even failing to achieve performance goals (Ryals, 2012). One important reason for this problem is that firms often

underestimate the fundamental organizational change that comes with KAM. Implementing KAM requires the development of routines that extend beyond pure selling. It usually involves the creation of a dedicated function or unit that may differentiate from other units within the firm, but whose activities require internal alignment to become effective (Guesalaga & Johnston, 2010; Pardo, Ivens, & Wilson, 2013, 2014). A recent study shows that KAM comprises the management of relationships with actors beyond a firm's boundaries, most notably KAs, as well as the management of relationships with actors inside the supplier firm (Ivens, Pardo, Niersbach, & Leischnig, 2016), thus underscoring the coordination tasks performed by KA managers and the need for integration of activities performed by KAM and internal network partners.

While research on KAM has produced a rich body of work to deepen the understanding of factors and mechanisms supporting KAM effectiveness, only a small proportion of this work has focused on KAM's organizational design (e.g., Homburg et al., 2002; Kempeners & van der Hart, 1999) and aspects of organizational differentiation and integration (e.g., Pardo et al., 2013, 2014). Against this background, the primary objective of this research is to advance the knowledge on KAM implementation by proposing a framework that outlines essential

\* Corresponding author.

E-mail address: [bjoern.iven@uni-bamberg.de](mailto:bjoern.iven@uni-bamberg.de) (B.S. Ivens).

<http://dx.doi.org/10.1016/j.indmarman.2017.07.008>

Received 18 October 2016; Received in revised form 6 July 2017; Accepted 20 July 2017  
0019-8501/ © 2017 Elsevier Inc. All rights reserved.

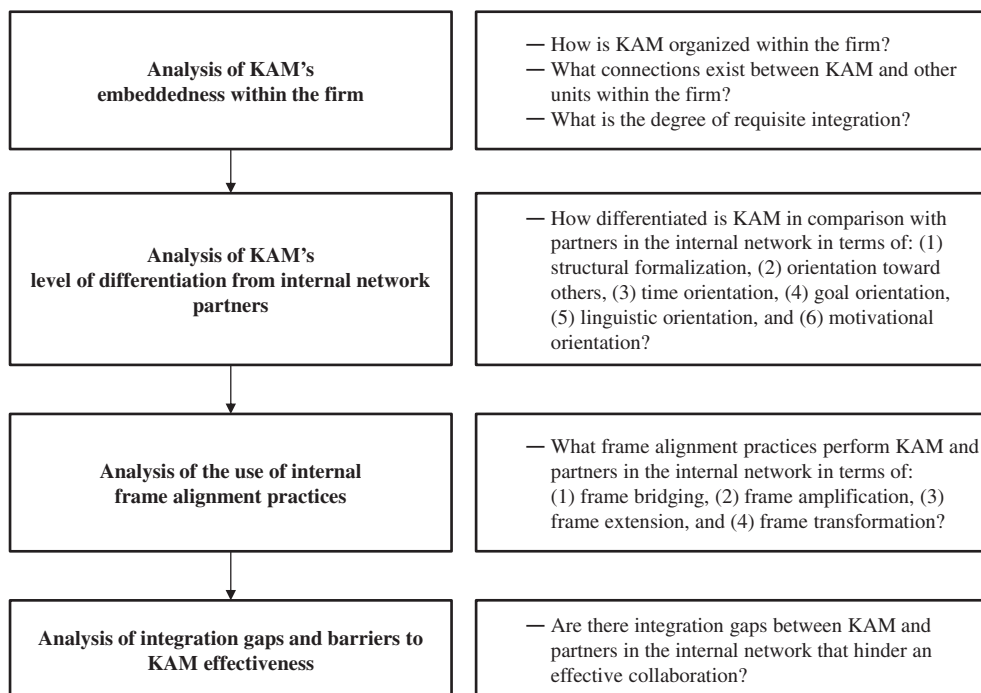


Fig. 1. Conceptual framework.

processes to diagnose and evaluate so-called integration gaps and thus barriers to KAM implementation.

To achieve this goal, we integrate prior work on KAM organization and implementation. We theoretically ground our framework using the concepts of embeddedness (Uzzi, 1996), differentiation and integration (Lawrence & Lorsch, 1967a, 1967b), and frame alignment (Goffman, 1974; Snow, Rochford, Worden, & Benford, 1986). In addition, we present the results of a case study involving 35 in-depth interviews conducted with members of two KAM units and these KAM units' firm-internal network partners of the German branch of a large-scale European industrial company.

The results of our research contribute to the KAM literature by developing an integrative perspective that connects aspects of organizational design with implementation issues. Our study provides vision for essential steps to identify and assess integration gaps. We show that integration gaps can act as barriers to KAM implementation as they interfere with inter-unit collaboration and the management of relationships with KAs. From a managerial point of view, such knowledge provides guidelines for firms to evaluate existing organizational designs, diagnose potential barriers to KAM implementation, and develop countermeasures to reduce or eliminate them.

We organize the remainder of this article as follows. The next section outlines the conceptual background of this study with an emphasis on KAM, the concepts of embeddedness, differentiation, alignment, and integration. We then discuss the case study and we show the results of the case study analysis. We conclude with a discussion of theoretical contributions, managerial implications, and avenues for further research.

## 2. Conceptual background

### 2.1. Perspectives

KAM is the “performance of additional activities and/or designation of special personnel directed at an organization's most important customers” (Workman et al., 2003). As such, KAM refers to a subset of a supplier firm's customer portfolio—the important customers. These customers are not simply “major customers” or “large accounts” but include customers that can have actual impact on a firm's strategy (Pardo, 1999; Piercy & Lane, 2006), for example due to their lead user

status, reputation, or market access (Ivens & Pardo, 2007; Pardo, 1997). In managing the relationships with strategically important customers, firms perform special activities (in areas such as products, services, pricing, distribution, promotion, and information sharing) that are not offered to average customers, and they frequently assign special actors (i.e., KA managers) or build entire units (i.e., KAM units) who are dedicated to KAs (Homburg et al., 2002; Workman et al., 2003).

The motives of supplier firms to take these efforts and implement KAM are manifold and include such factors as enhancing customer orientation, keeping up with KAs' market activities, improving internal operations and decision-making processes, and increasing sales and sales productivity (e.g., McDonald, Millman, & Rogers, 1997; Wengler, Ehret, & Saab, 2006). Yet, the transition from traditional sales to KAM is challenging: it involves a long-term, multi-stage process (Davies & Ryals, 2009) and it requires changes of organizational structures and procedures in supplier firms (Guenzi & Storbacka, 2015). As Homburg, Workman, & Jensen (2000, p. 463) emphasize, “[o]ne of the more significant organizational changes identified in our field research is an increasing emphasis on key account management and the establishment of customer segment managers within the sales organization.” Thus, the decision to implement KAM is a strategic and fundamental one that can eventually lead to strong and profitable relationships with KAs, but that can also produce tensions and dilemmas, both on strategic as well as operational levels, within the supplier firm (Marcos-Cuevas, Nätti, Palo, & Ryals, 2014).

Against this background, prior work highlights the need for research that contributes to the understanding of KAM's internal alignment to realize strategic fit and coordination of efforts across the organization (Guesalaga & Johnston, 2010). Our study takes a step in this direction by examining KAM's organizational embeddedness within a supplier firm and its relationships with partners in the firm-internal network to identify integration gaps that may function as barriers to KAM implementation. Fig. 1 depicts the conceptual framework of this study. The framework is a process model encompassing four major steps: (1) the analysis of KAM's embeddedness within the firm, (2) the analysis of the level of differentiation of KAM unit(s) in comparison with other (related) units in the firm, (3) the analysis of frame alignment practices as performed by KAM units and other (related) units within the firm, and (4) the analysis of integration gaps. In what follows, we explain and discuss each of these steps in greater detail.

Download English Version:

<https://daneshyari.com/en/article/7431774>

Download Persian Version:

<https://daneshyari.com/article/7431774>

[Daneshyari.com](https://daneshyari.com)