Industrial Marketing Management 58 (2016) 102–113

Contents lists available at ScienceDirect

Industrial Marketing Management

Firm-internal key account management networks: Framework, case study, avenues for future research

Björn S. Ivens [a,*], Catherine Pardo [b], Barbara Niersbach [a], Alexander Leischnig [a]

[a] Otto-Friedrich-University, Feldkirchenstraße 21, D-96052 Bamberg, Germany
[b] EMLYON Business School, 23, avenue Guy de Collongue, 69134 Ecully Cedex, France

ARTICLE INFO

Article history:
Received 29 October 2015
Received in revised form 18 April 2016
Accepted 30 April 2016
Available online 31 May 2016

Keywords:
Key account management
Firm-internal network
Commitment
Trust
Capability

ABSTRACT

Key account management (KAM) is used for managing relationships between a supplier and its strategically important customer firms, that is, the key accounts. KAM activities typically involve a firm-internal network of actors. While there is a rich body of literature on key account managers' work with external networks in customer firms, this study focusses on the much less explored KAM activities in interaction with the firm-internal network that is required to mobilise resources and develop activities towards key accounts. The purpose of this study is to develop a conceptual framework explaining how the firm's capability to manage the internal KAM network contributes to firm performance. We illustrate our framework using case study material and develop avenues for future research along the elements of our framework.

© 2016 Elsevier Inc. All rights reserved.

1. Introduction

Firms and their environment have been described from different vantage points. A recurring perspective interprets them as distinct business networks that are interlinked through relationships (Anderson, Håkansson, & Johanson, 1994). Depending on the specific theory one draws on, these relationships are conceptualised and labelled in different terms, for example, as ties (Granovetter, 1973, 1983), linkages (Tsai, 2000), contracts (Reve, 1990), or, from the IMP Group perspective, in terms of actors, resources, and activities (Håkansson & Snehota, 1995). Whatever the terminology, network theories share the fundamental concepts of interaction and interdependence as well as a distinction between firm-internal and firm-external networks of relationships as constituting units.

In key account management[1] (KAM), a supplier firm on a business market implements an idiosyncratic system that encompasses dedicated actors, resources, and activities in order to manage one specific interface between the firm-internal and the firm-external networks, that is, the relationships with its strategically most important customers (Davies & Ryals, 2013; Gounaris & Tzempelikos, 2013; Guesalaga & Johnston, 2010; Workman, Homburg & Jensen, 2003). These strategically most important customers are referred to as key accounts (KAs). KAM typically involves the creation of a dedicated function or unit that is differentiated from other customer-facing functions or units (Guesalaga & Johnston, 2010; Pardo, Ivens, & Wilson, 2013, 2014). It involves the development of specific routines (Homburg, Workman, & Jensen, 2002; Storbacka, 2012). In most firms, specifically designated KA managers and KAM teams constitute the central actors (Atanasova & Senn, 2011; Davies & Ryals, 2013; Jones, Dixon, Chonko, & Cannon, 2005; Vafeas, 2015), although Homburg et al. (2002) identify some configurations of KAM programs in which actors not referred to as KA manager or KAM team take over responsibility for KAM.

A main difference between KAM and classical sales management lies in the important coordinating role that KA managers fulfil between the internal and external networks of relationships (Georges & Eggert, 2003; Pardo, 1999). In this role, they manage a set of relationships between their own company and the KA. While the external relationship management task in KAM has been widely explored (e.g.,: Davies & Ryals, 2013; Davies, Ryals, & Holt, 2010; Friend & Johnson, 2014; Gounaris & Tzempelikos, 2014; Hakanen, 2014; Shi, Zou, & Cavusgil, 2004), the work of KA managers and teams within firm-internal networks has been rather neglected in academic research (exceptions include Atanasova and Senn (2011); Speakman and Ryals (2012)).

Our research focusses on all actors involved in the management of a specific supplier–KA relationship. It attempts to understand the

* Corresponding author.
E-mail addresses: bjoern.ivens@uni-bamberg.de (B.S. Ivens), pardo@em-lyon.com (C. Pardo), barbara.niersbach@uni-bamberg.de (B. Niersbach), alexander.leischnig@uni-bamberg.de (A. Leischnig).

[1] Note that while this study refers to key account management it sees this label as synonymous with terms such as national account management, strategic account management, or corporate account management. It sees international and global account management as the concept of KAM applied to customers that operate across national borders. While the international dimension increases the complexity of KAM, it does not alter the fundamental logic of the concept, that is, the implementation of an idiosyncratic form of customer management for strategically important customers.

http://dx.doi.org/10.1016/j.indmarman.2016.05.019
0019-8501/© 2016 Elsevier Inc. All rights reserved.

mechanisms inside a firm-internal network that foster processes that create value for both the supplier and the KA. In line with Morgan and Hunt (1994) as well as Meyer and Allen (1997), this study argues that commitment and trust constitute key concepts not only for the effectiveness and efficiency of firm-external supplier–KA relationships, but also in relationships inside the firm-internal network in KAM. The study further argues that resource-advantage theory (RAT) and the capability view (CV) of the firm allow conceptualizing internal KAM activities in a theoretical framework. In particular, RAT identifies central resources required in KAM while the CV explains how these resources are combined in KAM routines to enhance KAM performance.

In line with the strategic management literature (e.g. Pennings & Lee, 1999; Tsai & Ghoshal, 1998), this research studies the following aspects. First, it analyses how (in addition to the external customer-side network) KA managers handle a second network of relationships, that is, relationships inside their own company that take the form of a firm-internal network of actors involved in managing a specific KA (Atanasova & Senn, 2011; Salojärvi, Saarenketo, & Puumalainen, 2013). Second, the KA manager is often a member of a unit comprising several KA managers, often reporting to a KA director. In large organisations, several KA directors may exist, each one dedicated to a specific field in which several KA customers have been identified. This study analyses how the networks surrounding individual KA managers and KA teams may differ. Third, this research analyses how KA managers develop activities inside their internal network of relationships despite their generally low level of hierarchical power. Fourth, with regard to the firm-internal network management role of KAM, this research studies the role that commitment and trust between the different actors inside the supplier firm who are involved in KAM (i.e. KA managers, KA directors, and members of the KA teams) play for the performance of the KA manager and the KA team as well as for the success of the KAM program.

Against this background, and on the basis of the four arguments developed above, the purpose of our study is to (a) develop a model of firm-internal KAM networks, and to (b) explore the fundamental structure of this model empirically. For this purpose, we first conceptualise the firm-internal aspect of KAM. Second, we review the KAM literature with respect to firm-internal network activities. Third, we introduce firm-internal commitment and trust as potential antecedents to performance in KAM. Fourth, we illustrate our conceptualisation using case study material on the work of three KAM teams collected in 35 in-depth interviews and through the analysis of documents from a large international pharmaceutical firm. Finally, we discuss implications of our conceptualisation as well as avenues for future research.

2. Firm-external and firm-internal networks in KAM

2.1. Managing two networks in KAM

Business networks are central in different research disciplines ranging from economics to sociology (see Ojasalo, 2011, 2001). The IMP Group and its related literature offer a rich conceptualisation of the network concept. Henneberg, Naudé, and Mouzas (2010, p.355) define networks as "*complex, systemic webs of interdependent exchange relationships within which companies and individual managers need to operate*". Actors, resources, and activities are the constituting elements of a network (Håkansson & Johanson, 1993). These three elements appear in the exchange between a firm and its partners on markets. At the same time, the firm itself constitutes a network of relationships between, for example, functional units, geographic units, or individual specialists who interact in business processes (Ritter, Wilkinson, & Johnston, 2004). Hence, the KA manager coordinates a complex network consisting of internal and external business relationships with individual and organisational actors.

Both sides of KAM, internal and external network management, are important elements of the KAM concept and required for KAM performance. From an internal perspective, KAM creates value for the KA and the supplier by coordinating numerous complex and customer-specific processes. From an external perspective, KAM creates value for the KA and the supplier by constantly improving the fit between the selling organisation's value offer and the needs of the KA (Georges & Eggert, 2003). In the long run, a well-established KAM programme can lead to a substantial competitive advantage (Pardo et al., 2014; Sullivan, Peterson, & Krishnan, 2012; Tzempelikos & Gounaris, 2015).

In KAM, firms dedicate specific investments in the form of "*special personnel directed at an organization's most important customers*" (Workman, Homburg, & Jensen, 2003, p. 7). KA managers fulfil a coordinating role between the two networks constituted by firm-external and firm-internal relationships (Ivens, Niersbach, & Pardo, 2015; Jones et al., 2005; Pardo, 1999).

Over the past decades, scholars have developed several conceptual frameworks for KAM (e.g. Jones et al., 2005; Richards & Jones, 2009; Shi et al., 2004; Storbacka, 2012) and a series of several empirical studies on KAM (e.g. Guenzi, Pardo, & Georges, 2007; Homburg et al., 2002; Salojärvi et al., 2013; Workman et al., 2003) in order to provide insights into the mechanisms underlying successful KAM implementation. However, only a small part of this work is dedicated to issues of firm-internal network management in KAM.

2.2. The external KAM network

On the one hand, the KA manager needs to manage the set of relationships between his own company and the KA (Ivens & Pardo, 2007). These relationships typically comprise contacts with units such as purchasing, logistics, or R&D on the customer side, that is, more diverse contacts as compared to the contacts a classical sales representative needs to manage. In addition, activities in KAM reach higher levels of intensity (e.g., in terms of frequency or closeness) because the supplier–side actors focus their efforts on managing a small number of KA customer-firms (Shapiro & Moriarty, 1984b; Shi et al., 2004). Finally, the KA manager needs to understand the links and possible interdependencies or frictions among his network contacts on the customer side. He needs to analyse the potential impact of these links on his firm's business with the customer and develop approaches in order to align these links with his own business objectives. For example, in case two customer-side departments have conflicting objectives with respect to the supplier, the KA manager needs to identify ways of interacting with both units that allow minimising the potential damage of the KA-side internal conflict on the supplier–KA relationship.

2.3. The firm-internal KAM network

On the other hand, KA managers need to manage a network of relationships *inside* their own company. Atanasova and Senn (2011), for instance, refer to the "persons involved in developing and maintaining relationships with one or several key customers" (Atanasova & Senn, 2011, p. 279). Such a view enlarges the one developed by Arnett, Macy, and Wilcox (2005) that limits internal relationships to a core selling team or enterprise team constituted of selling organisation members. The KA Manager is thus a relational coordinator between the strategically important account and his own firm (see Fig. 1). His mission is to optimise value creation inside the supplier–KA relationship for both parties involved. In order to reach his objectives, he draws upon the relevant individuals and units inside his own company, identifies their required contribution, coordinates them internally, and establishes links between them and supplier–side units (such as production, logistics, finance, R&D) (Pardo et al., 2014; Speakman & Ryals, 2012). Like on the customer side, the KA manager needs to analyse and handle interactions between internal units in order to facilitate value creation for his key account.

Download English Version:

https://daneshyari.com/en/article/7432249

Download Persian Version:

https://daneshyari.com/article/7432249

Daneshyari.com