

# Customer Focused Measurement of Key Account Management Processes

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## ABSTRACT

### Work-in-Progress Paper

Sales organizations develop account management processes so that key account managers can provide a component of total value to their customers. Quality of account management is but one component of the total requirements of the industrial customer. There are clear benefits of good customer management from the points of view of both the customer and the supplier. While the criticality of relationship management might vary by customer and by industry, a model and method of determining the priority and required investment level in relationship management would be useful in contributing to the understanding the role and nature of relationships. In a recent literature review, Holt(1999) concluded that “from an extensive review of the literature, it is clear that there is a lack of research which focuses on (a) relationship management roles as a component of the total product/service offering in relation to customer – perceived value and (b) how the roles and behaviour of relationship managers can enable or inhibit customer perceived value.

A pilot study was conducted utilising in-depth personal interviews with the customers of several large service providers in both Australia and Thailand to understand a range of relationship management variables. These included;

- Customer business challenges and development plans
- Critical product and service features
- Relationship history with major suppliers
- Customer perceptions of suppliers
- Supplier contact history
- Supplier performance factors
- Supplier relationship management performance
- Value added services
- Customer expectations of suppliers
- Customer policies for usage of suppliers
- Customer relationship management preferences and views on roles

Semi structured personal interviews were then conducted with key senior personnel from a wide range of companies from a wide range of industries.

Initial feedback from these senior decision makers provided evaluations of supplier account management processes along the following dimensions:

- Dedicated / regular account management
- Customer development planning
- Utilisation of specialists
- Application of value added initiatives
- Access to account manager
- Responsiveness of account manager
- Joint business reviews by account manager
- Company relationship with decision makers
- Time in front of customer
- Pursuit of continued improvement
- Communicate best practice

Customers were comfortable in evaluating alternative suppliers along these dimensions. Further suppliers were able to compare the overall account management dimension with other value adding components such as pricing policies, product quality, technical support etc

Further stages of this research are:

1. To compare and contrast customer generated account management process evaluations with relationship management roles discussed in the literature eg Cunningham and Turnbull (1982) and Millman and Wilson (1995).
2. Assess and measure customer value imbedded in these roles.
3. Obtain detailed customer generated estimates of relationship management value for multiple suppliers in one product / service category
4. Obtain customer generated estimates of relationship management value for best practice managers across differing product and service categories.
5. Compare the customer perceived value of key account management components with other value adding components such as product features and quality, pricing and service.

References:

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