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You said *Global Account Management*?

Relationship and network perspectives on handling international strategic customers

Robert Spencer
Associate Professor
Euromed Ecole de Management, Marseille, France
robert.spencer@euromed-marseille.com

ABSTRACT

In a world where international business is fast becoming the norm rather than the exception, most focus is on meta-phenomena, and precious little attention is paid to linking the theory thus developed to the reality of everyday business.

In particular, considerable thought has been given to the internationalisation process and especially to the case of the multinational organisation, and to the theme of “globalisation”.

Of particular importance in this area is the work performed by Bartlett and Ghoshal, relative to the “Transnational” organisation, proposed as being the best adapted to survival and development in the international environment.

The focus is both on the “internal” environment as well as the “external” environment of the firm, with issues relating to the effects of centralisation or localisation, for example of decision-making, and the availability of local resources, and local managerial capacity, along with the local legal and political context, all leading to a form of management which uses local “leverage” to further “global” strategy.

Other literature places emphasis on, for example, the complex cultural setting in which international business takes place, affecting both the firm’s internal organisation and thus its marketing capacities, and the purchasing behaviour of the customer. Thus the debate in marketing terms tends to revolve around the debate of globalisation or localisation of the offering, and adaptation or standardisation of the marketing organisation and practices, as a consequence.

Over recent years, in parallel, a new paradigm has slowly emerged, finding its roots in the industrial marketing field in Europe, but of late spreading to gain acknowledgement and enthusiasm from authors not only in the business-to-business field but in the field of marketing in general, and at large. This paradigm focuses on relationships as exchange vectors in a marketing context, and argues that this is a more appropriate approach than the previous “4Ps” approach.

Hence marketing becomes a matter of effectively and efficiently managing relationships between the supplier and customers. Yet more recent work, in particular by the IMP Group of researchers, takes this thinking a stage further and extends the relationship approach from the consideration of supplier-customer relationships alone, to consider the taking into account of sets of relationships between actors of different kinds, influencing the market situation and the marketing environment: the “network” approach. This network approach has been developed to include actors and relationships from both the marketing firm’s internal and external environments.

Partly as a result of the above developments, renewed interest in the area of study of key customer accounts has come to the forefront of late. This paper focuses on a particularly relevant area of research in light of the above, and one which has perhaps surprisingly received precious little attention. The field of international key customer account management.

Using a case study approach, based on the activities of a multi-national corporation, the paper uses a relationship and network perspective to examine the international key account issue. It demonstrates that the meta-phenomena mentioned earlier can effectively be expressed adopting more of a mid-level analysis, i.e. networks of relationships within and across international boundaries.

In managerial terms, the specific profiles of such networks of relationships act as useful guidelines for appropriate international key customer account management organisation and practice.

INTERNATIONAL KEY CUSTOMER ACCOUNT MANAGEMENT: AN OVERSIGHT?

At a time of ever-increasing interest in the international business theme, where going international (1) for the firm is now perceived as being a must rather than an option, and where the focus on marketing is that of providing added value to the customer, and with the emergence of relationship marketing ideas booming (2), it is perhaps surprising that very little attention is paid to the international key customer account, and appropriate associated management practice.

Perhaps this is due to the very complexity of the subject area itself? Or to the fact that KAM even at national level (3) proves to be rather a handful. Nonetheless, or perhaps all the more so for that, the area is a rich one and research questions need to be raised.

Amongst the many questions to be asked is “What is International KAM anyway??”. Is it the choice and serving of international customers? And what is an “international” customer anyway? One who sells abroad? One who has production units abroad? Etc. etc. Or is it all or some of these, combined with a more generic definition of a key account, with these characteristics possibly acting as a potential basis for a typology?

This paper does not pretend to provide an answer to these questions. Rather it uses one case study (4) on the situation of an MNC faced with the problem of handling international key accounts. After describing the general organisational set-up and operations of the supplier, a brief description of the organisational response at present provided for KAM purposes is given, along with some of its inadequacies. The focus then goes over to 3 international key customer accounts served by the organisation. These accounts, as will be seen, all demonstrate quite radical differences, whilst not being deliberately selected for that reason. The relationships between the key account and the supplier are discussed in each case.

A “relationship network” vision of the information is then attempted, and the results analysed.

We feel that the results, although in a very preliminary form and far from conclusive, are encouraging. They provide a “down to earth” assessment of the situation in each case, and useful leads for further research and analysis in the area. They also provide immediately exploitable “maps”, which, even in rudimentary form, give management food for thought on how to act which go beyond the often anecdotal and highly intangible approaches such as “beware cultural differences when working with the Spanish ...”.

The data collected is from a French origin MNC. Multiple interviews were performed using a snowball interviewing method (5). Respondents were located either in the supplier or customer firms concerned. A total of 12 interviews were performed, 11 of which took place “supplier-side”. Information has been disguised for reasons relating to confidentiality.

TRENDS IN THE LITERATURE RELATIVE TO INTERNATIONAL KEY ACCOUNT MANAGEMENT

Traditional international literature refers to three main bodies of thought useful in describing international key account management (KAM). Firstly the literature on the internationalisation process, and in particular the evolution of the firm (6) – from direct exporting through to FDI - from a strategic and organisational perspective in international markets. Secondly general international marketing literature (7) relating to the international marketplace and the difficulties in handling this environment, seen from, traditionally, the legal, financial, political, economic, and cultural perspectives. Most of this literature covers the specificities of the systems and prevailing conditions in different countries, e.g. the legal system, specific cultural characteristics, the fiscal system etc., whilst still staying fairly generic at the country level. The third body of literature concerns the Multinational Corporation and its evolution and operations. This literature (8), with a strategic focus, looks at the individual firm, and problems with handling its operations in international markets. Few of the authors concentrate in any in-depth way on relationships and networks as an appropriate central focus of management attention. The fourth, though this does not always have an international bias, and perhaps most pertinent area of work, concerns the literature on relationships and networks in industrial markets mentioned earlier which, more recent for the most part, to some extent overlaps with the first three detailed above. A fifth area of the literature generally with little or no international bias is that specifically dealing with the issue of Key Account Management (9).

THE DATA GLOBAL CASE: MULTINATIONAL SUPPLIER

DATA GLOBAL is something of a success story on the international business scene. From a position of “also ran” in the mid-70s to the early 80s it has emerged to become one of the top three in the field of data processing and transmission. From a firm handling, originally, essentially government business on its domestic market, it has coped with deregulation on an international scale and now has the majority of its business in the private sector. This has been achieved in part thanks to growth via progressive mergers and acquisitions of competing firms in the multiple international markets it operates in, coupled with subsequent “rationalisation” of its organisational set-up. This, in particular, consisted of focussing production, for example, of different product lines and the closing down, or down-sizing, of non-productive sites. This strategy obviously did not always meet with the approval of management and staff of targeted national subsidiaries and organisations, and often generated a disgruntled atmosphere, and internal competition and even conflict, especially amongst the larger subsidiaries.

Management of this situation was, and indeed still is to some degree, problematic and all the more so due to the different cultural origins of each subsidiary’s staff, and the often-recent merger/acquisition situation, and the resultant lack of a clear corporate identity for DATA GLOBAL.

DATA GLOBAL's INTERNATIONAL ORGANISATIONAL SETTING

DATA GLOBAL has a rather complex international structure (see fig. 1), comprising three distinct divisions: Hardware, Software, and Communications. (For the sake of clarity we will develop only the situation of the Hardware and Software Divisions in this case. In many ways the Communications Division closely resembles that of the Hardware Division)

In the past, and indeed until just a few years ago, each of these divisions operated very much independently across the 100 or so national markets served by the company. In practice, though, one subsidiary very often represents two or even all of the divisions, depending on the state of development of each division's activities in the market in question, and the maturity and strategic interest of the market itself. Only over the last two or three years has the situation evolved, with some major customers looking for solutions which call for coordination of means by all 3 divisions to provide a "total system, integrated" solution tailored to their needs.

This situation has not so far been handled with a great deal of success by DATA GLOBAL, due to the traditional autonomy of the divisions, and reluctance to change.

DATA GLOBAL SUBSIDIARIES, RELATIONS WITH SUBSIDIARIES, AND KEY ACCOUNT CONSEQUENCES

The best way of describing DG's relationships with its subsidiaries (see fig. 2) is "varied" and "evolving". The organisational set-up described earlier and the internationalisation process via merger and acquisitions makes this almost inevitable.

What can be said is that, firstly, many of the "lead-house" subsidiaries for the activities of the 3 divisions are French-based or if not they have Managing Directors with strong personal links with Corporate H.Q. in France. This includes frequent trips to Paris, sitting on committees, membership of the Board etc. Despite deregulation of the industry, this gives a strong French flavour to, for example, technological development, with much R and D being done in France. Complaints by foreign subsidiaries often refer to products corresponding more to French requirements than their own or the global market place.

Another tendency is better relations generally where subsidiaries close in cultural terms are concerned. Relations with Spain and Italy for example are in general better than with Sweden or, say, the U.K.

Yet another key element concerns those subsidiaries where acquisition has led to "rationalisation" (entailing closures and lay-offs), and "disgruntlement" of the subsidiary's management. In these cases takeover "strips" the subsidiary of its previous identity to some degree. At the same time these subsidiaries now find themselves competing against old enemies now within the boundaries of their new organisation, and having to bow to Corporate logic as to which subsidiary should serve which international market, or handle which international deal. Old enemy reflexes are hard to overcome.

Although a major programme to create Corporate identity has been in place for several years now, strong national identities still persist, along with old habits and old operating logic. Each subsidiary also has its own strategic objectives, which often do not marry too well with objectives at corporate level. A typical situation in MNCs.

They likewise have their own organisational structure and management practices, often based on national norms, including such aspects as salaries and commission on sales and incentives. This remains acceptable when national dealings are involved, but less so where international customers are concerned.

KEY CUSTOMER ACCOUNT MANAGEMENT AT DATA GLOBAL

The overall situation regarding KAM at DATA GLOBAL is rather heterogeneous in nature, in part due to the manner and the speed with which the company has internationalised.

KAM at Corporate Level

First of all in France, the site of Corporate Headquarters, a quite sophisticated Corporate KAM solution has been established. This involves Corporate HQ, all Divisions, and several national subsidiaries, with regional branch office intervention. Whilst this may seem quite structured, in reality it is still problematic due to its relative recency and its heterogeneity. Corporate KAM takes the form of a recently appointed manager, along with a 3-strong back-up team, who has the task of developing and ensuring implementation of corporate level strategy and guidelines. The newness and context explain that this manager's task is in its very early stages. In practical terms, it translates essentially as the design and implementation of umbrella agreements for customers identified by Corporate, mainly from a French perspective in part due to geographical proximity of customers' Head Offices, as being potential for the aforementioned global systems offering.

In theory authority has been delegated to this new manager and his team, but in practice the Divisions and the subsidiaries traditionally hold all the vital information and power, and the team's role to date is essentially that of observation and attempts at federation. In other words "design" is feasible. "Implementation", however, proves to be far more problematic.

KAM at Divisional Level

At divisional level a variety of situations can be observed due in part to the distinctive nature of the business and markets of each.

The Hardware Division has, for example, traditionally served – and often as exclusive national supplier - essentially large government customers. Strong relationships have emerged over time as a result, with massive technical exchange and adaptation on both sides, and DATA GLOBAL developing products specific to the national operating environment. Strong friendships have also developed at all levels. This is true in all countries where DATA GLOBAL is to be found, even those where DATA GLOBAL has developed by acquisition of a previously autonomous national company. Relations have been weakened upon acquisition however, in certain instances, as the now DATA GLOBAL-owned unit was no longer perceived as a "truly" National entity. (Such is the situation in Italy, for example, where the "fully

Italian” competitor has benefited from the takeover of its previously national competitor, especially relative to success rates on Government calls for tender). Also takeover, and accompanying “rationalisation”, has sometimes resulted in the loss of some staff in close relationship with customers. This has similarly weakened DATA GLOBAL’s position in the markets concerned.

This tendency of long-term, nationally exclusive, relationships is being increasingly put into question of late, however, with the advent of deregulation and the forced opening up of business to international competition. In light of the above, no specific KAM system has been set up, with most customers being considered as Key Accounts anyway, and being handled “naturally” – and separately - by each of DATA GLOBAL’s Hardware Division’s different national entities i.e. “business as usual”, for the moment.

The Software Division, however, is quite a different affair, with some large, mostly “private” , customers but at the same time a multitude of smaller customers. This has led to a different, in many ways more classical, structural core solution to customer handling, with coordination of sales by national sales teams.

This solution is far from simplistic though, and far from homogenous due to the complex situation internationally, with each national structure demonstrating specificities. Geographical units of DATA GLOBAL are, in effect, at different levels of development generally, and more specifically with respect to their management of key accounts. They are also more or less concerned about promoting the business of the Software Division. As mentioned above, certain units have “shared” responsibilities, and often prefer focusing on the “Government” type of business for the Hardware Division, for example, less dispersed and more in line with their usual way of doing things. Software’s business is both newer, calling for heavier investment and less certain rewards, and more complicated, with a different customer mentality, and more of them. Outcomes in each market, then, often depend more, in practice, on the strategic priorities, clout, and interests of the divisions relative to those of the subsidiary concerned, rather than to some rational assessment of the best interests of DATA GLOBAL as a whole. This set-up is further complicated by the fact that, due to its rapid development by merger and acquisition, DATA GLOBAL finds itself, in some country markets, with the opposite situation i.e. competing units with similar offerings, and the difficulties in coordinating which ensue. Such is the situation on the French market for Software, with two subsidiaries fighting for market share, but with totally different philosophies. Merger is not an immediate option for DATA GLOBAL, as this would lead inevitably to loss of position on the market. Meanwhile the Corporate KAM team has little or no information on one of the subsidiary’s activities with key customers, for example, due to its inadequate information system. Coordinating across both units’ customers, for the French market alone, becomes for KAM purposes, under these conditions, a near impossible task.

Thus in Italy, no specific KAM organisation or practices exist, even for the Software Division. In France, on the contrary, where the Software Divisional HQ is located, such a function has existed for the Software Division in quite a structured form for a good ten years, and has gone through several organisational forms and stages. Spain represents yet a third, intermediate, situation, with the French system for KAM being used – in a rather ethnocentric manner - as a pilot system, “under test” at present.

Regional KAM arrangements

With Hardware's customers usually being heavily centralised, at least from a purchasing and administration perspective, special regional account management arrangements by DATA GLOBAL are virtually non-existent.

On the other hand, for Software, in the French market for example, a separately run KAM system has been established. This however is not directly linked to the Corporate KAM scheme, but rather a system set up by Sales of one of its subsidiaries for the benefit of the Branch offices. What each Branch office considers to be "key" customers are identified, with little referral to the KAM team, and special monitoring of them. Needless to say, there is often quite a gap between local and national – not to mention international – criteria and priorities in identifying and handling the key accounts. Regional Branch office criteria are often related to, for example, turnover and profit potential of a customer site, whereas national and international considerations relate to the customer firm worldwide, and broader issues such as technological development.

To our knowledge and that of the interviewees no other DATA GLOBAL geographical unit abroad has developed a regionally base KAM system within its national boundaries i.e. France is the only case where such a system has been established.

A FEW SELECTED EXAMPLES OF D.G'S INTERNATIONAL KEY ACCOUNTS

Whilst not providing a full picture of the broad range of international accounts policies and characteristics of relationships with them, this section selects three examples of accounts considered as "key" for further study providing insight into some key issues for "effective" international key account management. All of these accounts are themselves large international firms. All originate from France, but have developed internationally along different lines.

The ASCALOR HOTEL and RESTAURANT CHAIN (Account X)

is a major MNC in the hotel and catering industry. It has more than a hundred sites worldwide. Each of the sites, although fully owned by X and whilst carrying out very similar activities to all other sites, is fairly autonomous in terms of operations due to the very nature of their business. This autonomy includes choice of suppliers and purchasing decisions in general. Local suppliers are usually preferred where available. There are some areas where H.Q. gets involved, however, and data-processing is one of these, due to the need to communicate on a worldwide scale (reservations, etc...). This involvement remains, though, rather limited at present, with H.Q. compensating for the different site's general lack of know-how and expertise in the area, recommending certain suppliers and equipment rather than dictating policy to their units.

X's data processing requirements, in general terms, are relatively straightforward.

Aware of the strategic importance of data processing, however, (sophisticated data-processing and transmission can lead to competitive edge, with development of customer specific applications) and of the relatively high initial investment and maintenance cost of such equipment, X's H.Q. is in the process of reviewing this policy, in favor of one which takes decision making out of the hands of the different national sites. Cost saving for volume purchases is just one of the items on the agenda.

Relations between DATA GLOBAL and X: a summary

These can be seen at two distinct levels (see fig. 4). Firstly a relationship between the French H.Q. of X and the French H.Q. of DATA GLOBAL, which is largely one of referencing, and of "relational" as opposed to "operational" activities. Technical information of a limited kind is provided by DATA GLOBAL H.Q., relative to new product and service developments. DATA GLOBAL H.Q. is also sensitive to possible shift in X's overall attitude and policy, and wishes to monitor and influence this upstream if possible.

The second, rather distinct, level of relations occurs at the national market level, between X's numerous international sites and DATA GLOBAL's representative organisations in that market. Given the sheer number of countries involved, and the diversity of DATA GLOBAL's organisations across the different markets, each country case is relatively unique.

Few links exist, in almost all cases, between H.Q. and subsidiaries, at least for the moment, neither supplier nor customer side. Quite dense relations exist, however, between X and other actors within each national market, conditioning X's behaviour and consequently DATA GLOBAL's attitude and approach.

At H.Q. level, supplier side, for the moment, relations are essentially between the National Account Manager and the Hardware and Software Divisions only. Purchasing side, relations at this level are between the Corporate Purchasing and the Technical Departments.

Although extremely varied, a similar situation seems to exist at National level in each country market, between local representatives of supplier and customer firms.

MICROCOM CORP. (Account Y)

contrasts quite radically with account X. First of all by its area of activity, the manufacture and supply of electronic components. And also from an organisational perspective. Whilst X has numerous international sites, Y has relatively few (5). Y, being a technically oriented company itself, with rather sophisticated requirements in the data processing field. Most of its sites are fully owned subsidiaries with the exception of 2 which are joint ventures with national entities in the two country markets concerned. Being a French-owned organisation, policy is pretty well dictated by H.Q. in a good many areas of the firm's activities. This, however, is not the case with the joint ventures which both demonstrate heavy influence by the national partners. This relates just as much to data processing matters, with the national joint-venture partners showing a net affinity to local suppliers of goods and services. Indeed, this has been the cause of some friction in the past, with Y's technical team wishing to impose a French supplier, officially to ensure homogeneity and compatibility of equipment, and the national partner vehemently refusing.

This type of problem is rare with the three subsidiaries, especially given that upper management and the technical teams in the subsidiaries are headed by French-nationality staff.

It has to be recognised though that whilst relations are less strained between customer Y's H.Q. and its subsidiaries, and complementarity and compatibility of equipment and services between them in the data processing is facilitated, the situation in the national markets is less satisfactory. Each national market exhibits specific data processing norms and practice in spite of high degrees of deregulation and standardisation worldwide. This translates as difficulties in adapting in local requirements (eg national telecom operators, and the customer's own customers national systems and requirements). This results in a less-than-optimum solution for activities within each national market. Had a "national supplier" been selected, many of these problems would have been avoided.

Relations between DATA GLOBAL and Y: a summary

Relations with account Y, given the limited number of countries the company operates in, and the number of customer sites involved, evidently demonstrates a radically different situation to account Y. Two basic types of relationship, of a quite different nature, exist. The first type, where the customer entity in the national market is a fully owned subsidiary, exhibits fairly "harmonious" characteristics between H.Q. and subsidiaries, supplier and customer sides. Ironically this "harmony" either side results in difficulties for the customer in "integrating" the national environment.

The second type of relationship set-up, involving joint-venture operations customer-side, is far more strained, and minimal, in particular concerning all relations with the joint-venture entities. Whilst exchange processes in the first type of relationship are of multiple kinds, and frequent, this second type involving joint ventures are reduced to essential technical exchange between the customer's H.Q. and the joint-venture, and between the joint-venture and the supplier's subsidiary. This state of affairs is compounded by the fact that both joint-venture entities are in countries where a "disgruntled" supplier subsidiary –as discussed earlier- is to be found.

In many ways the fact of having a foreign supplier imposed has generated a negative atmosphere to the relationship with the supplier's subsidiary on a national level.

EXCELL AERONAUTICS (Account Z),

in the aerospace industry represents yet another situation. With four sites in all, only one is located abroad. Each of these sites operates on an autonomous basis with, in France, the most important site based in the south. H.Q. in Paris demonstrates, if anything, the lowest level of activity. Moreover, this autonomy is reinforced by the fact that there are radical differences in the way each site operates, and the activities engaged in. Thus, for example, the site in the south has multiple "rotating" projects in diverse areas of operations on the go at any moment in time, whereas the single foreign site in Africa has a unique, focuses, ongoing mission. Purchasing procedures and practice for all materials and services vary accordingly, with the one being highly fragmented, and the other highly focused and few people involved. Similarities and links of any kind, then, between sites are also severely limited due to this heterogeneity of activity. As a result, the foreign site –perhaps the largest of the four sites- tends to be extremely international in its approach towards data processing requirements, and unrestricted by both their parent organisation and its French

context. This contrasts strongly with the French sites' situation. Choice of suppliers has tended towards a US supplier, to the total exclusion of two other French suppliers servicing the French sites.

Relations between DATA GLOBAL and Z : a summary

With three out of four of the customer's sites in the suppliers "home" market, one might well imagine a less complex set-up. This however is not the case as the three customer sites in France are supplied by two different national DATA GLOBAL subsidiaries, each entirely autonomous, with similar product lines and separate distribution networks, one using independent dealers and the other using its own fully-owned branch offices. Each branch has a local key account manager, as described earlier with key accounts important at the local level receiving special attention. Of the two customer sites one site is considered, by the local key account manager involved, as being more a liability than an asset. This site is a source of technical problems for him, with very few rewards relative to his own objectives of turnover and profitability. Yet this site is in regular contact with –and strongly influences the choices of- its sister site, handled by another supplier branch office. This second sister site, on the contrary, is very profitable for the second branch office, and the supplier on the whole.

The third French site, in a different region again, is serviced by independent distributors of the second supplier subsidiary's network. Given that these distributors jealously guard customer information, precious little is known about the state of the relationship with the site, except that it has been going on for twenty years now, apparently smoothly. The KAM function at H.Q. thus has little or no control, not even knowing what volume of sales are made monthly.

The international site has virtually inexistent contact with DATA GLOBAL, in spite of the fact that its sister sites in French territory have excellent, privileged contact and relations with both of DATA GLOBAL's companies.

RELATIONS BETWEEN DATA GLOBAL AND ITS ACCOUNTS: 3 SOURCES OF COMPLEXITY

The least that can be said is that none of the relationships can be said to be simple, in any of the 3 cases evoked.

This complexity comes, on the one hand, from nature of the buying firm, secondly from the nature of the selling firm – DATA GLOBAL – and thirdly from the characteristics of the international environment in which the relationship between the two has developed. The KAM issue to be handled in each case in fact "emerges" from this combination of complex factors, with each case thus emerging as specific. Added to this, to complicate the issue further, is the inevitable fact of ongoing change over time, and the need to anticipate.

DISCUSSION

The above case illustrates just three examples of perhaps the most complex of relationship management situations : international key account management. All these accounts were designated as “key” due, on the one hand, to their purchase volume and profitability and, on the other hand, to their “visibility” or reference value. The “technical” accounts also had value in that they were perceived as contributors in enhancing DATA GLOBAL’s technical competencies.

This is perhaps where the resemblance stops. Due to their differences each poses, individually, a quite distinct management challenge. Taken collectively –for the KAM function within the firm- this challenge becomes a mammoth one. One which clearly defies any simple or uniform KAM approach across international boundaries.

THE PROBLEMS FACING EFFECTIVE INTERNATIONAL KEY CUSTOMER ACCOUNT MANAGEMENT: A SUMMARY OF FINDINGS

The above case illustrates just three examples of perhaps the most complex of relationship management situations : international key account management. All these accounts were designated as "key" due, on the one hand, to their purchase volume and profitability and, on the other hand, to their "visibility" or reference value. Two out of three also had value in that they were perceived as contributors in enhancing DATA GLOBAL's technical competencies and technological know-how, with one used for Beta-site testing.

This is perhaps where the resemblance stops. Due to their differences each poses, individually, a quite distinct management challenge. Taken collectively -for the KAM function within the firm- this challenge becomes a mammoth one. One which clearly defies any simple or uniform KAM approach across international boundaries.

The complexity involved - and subsequent handling difficulties - comes in pan, in all three cases, and on the other within each of the key account's organizations.

This complexity, for each of the key customer accounts, does not have the same source. In the case of account X, for example, complexity comes in pan from the sheer number of subsidiaries, and their geographical spread. This complexity is tempered somewhat in that their characteristics - size, activity etc. - and roles played by each subsidiary are similar. As are relationships between subsidiary and headquarters. Each subsidiary has autonomy with technical back-up being provided by Head Office in France. Account Z, in contrast, has very few subsidiaries, with very little international spread. Vast differences in activities of each, however, and heterogeneous organizational settings for each, with varying relationships with Head Office, generate a complex picture overall, and a quite different KAM challenge for X.

- A. summary of the generic factors affecting degree and type of network complexity for DATA GLOBAL and the with a comparative assessment rating
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Insert Table 1 Here

A third element - the external international environment - involves issues relating to the cultural, political and consideration of such factors as the number of national markets operated in, the degree of cultural, technological environment, etc. Translated generically includes political, economic etc. differences between them, and the degree of inter-linkage between these operating environments at international level (e.g. "cultural" reference for local suppliers: (e.g. "global" technical standards as compared to national ones). Taken one stage further in more concrete terms this translates as networks of relationships between actors within and between national markets These are considered a: the more in-depth network analysis level later.

GOING DEEPER: NETWORK' CONSIDERATIONS, A SUMMARY DATA GLOBAL AS A NETWORK

A mere glance at the description of DATA GLOBAL (see fig. 1) quickly leads to the conclusion that any attempt to classify DATA GLOBAL as "simply" multi-domestic, or else "global" is doomed to failure As indeed does any attempt to characterize DATA GLOBAL as a wholes in network terms, other than perhaps the term "heterogeneous". This comes to some degree from the international spread, of course, of DATA GLOBAL, and the dynamics of the organization over time. Indeed, the firm has expanded rapidly, with different pans of the firm evolving at different rates.

Patterns of coherency can however be identified, translating as relatively distinct sub-networks (" nets" or cliques Similarities, for example, of DATA GLOBAL network actor situations on developed markets, as contrasted with those of most DATA GLOBAL representatives developing less-developed markets. The lacer markets typically have a single, "shared subsidiary, with domination by a specific DATA GLOBAL division, as compared to the former with multiple, autonomous subsidiaries, one for each division. Or else patterns relating relationships and their characteristics for example, dense, interlinkages and exchange between latin countries, as contrasted with inexistent or conflict-loaded relationships between latin and northern European countries. Here country culture influence becomes manifest, embodied in the relationships between actors.

The KAM function, part and parcel of the DATA GLOBAL network above, suffers from this same degree of heterogeneity and, naturally, the same degree of "dysfonctionning" due to this heterogeneity (little or no contact with many subsidiaries and certain units, and even less authority over them, discontent of certain subsidiaries; strategic and operational conflict between units, within or across national boundaries, and at different hierarchical levels etc.)

MATCHING UP OF NETWORK MAPS TO HIGHLIGHT KAM "FIELD OF ACTION"

Analysis of DATA GLOBAL's internal network as a whole and then that of each individual key account, whilst providing an interesting preliminary overview, does not provide a clear view of that part of each actually necessitating management. The KAM "field of action" results from the merging of the two, to provide appropriate fit between them, and to identify possible areas of lack of fit. In concrete terms this

means that certain components of DATA GLOBAL's network , e.g. certain subsidiaries. will be of no or little relevance in effective management of key account Z, for example Others, on the other hand, will be crucial. As will the quality of certain relationships with, for example, Head Office. Similarly "missing" or "deficient" relationship conditions can be identified and acted upon (see fig. 5 below).

THIRD PARTIES IN KAM NETWORK ASSESSMENT/ IDENTIFYING THE GLOBAL KAM NETWORK

The combined "internal" network described above takes on full meaning when relationships involving third parties - specific relationships with and between international, national and or local entities - influencing the KAM context for a given DATA GLOBAL key account case are mapped in. The strong net of relationships with local firms that Y's two joint Ventures find themselves embedded in. for example, and resulting difficulties in handling that component of Y's set-up both from a managerial and technical perspective. The result of additioning these three network components provides complete KAM analysis and what we will refer to here as the Global KAM network

SEGMENTING KEY ACCOUNTS: PATTERNS OF COHERENCY WITHIN GLOBAL KAM NETWORKS

Further analysis of the Global KAM network for any particular key account reveals the emergence of patterns of coherency or symmetry within it. Coherent groupings of actors and relationships of characteristics. These provide potential focus for managerial attention, and in particular the means of "segmenting" the Global network complexity, providing a basis for future managerial action.

These segments may, but not necessarily correspond to "traditional" ways of breaking down the KAM context (appointment of managers and managerial processes by logic relating to geographical area, Or by structural hierarchy - Head Office, Subsidiary, Branch Office - for example).

Thus for key account X, for example, a rather homogeneous "ego-network" situation emerges with relatively symmetrical relationships calling for similar management principles and practice across the board. For account Z, however, this symmetry at Corporate level is absent. Each customer site and its links with distinct components of DATA GLOBAL' s network demonstrates specificities.

Only two sites demonstrate similarity and some degree of interconnection. The result is three relatively separate, identifiable, KAM net "segments" within the overall DATA GLOBAL-Z global network. Each merits, or demands, a specific type of management attention given its characteristics.

MANAGERIAL IMPLICATIONS AND FUTURE RESEARCH

Several points are worthy of mention here, summarizing the above relative to common issues of interest in the literature:

Selecting International Key Accounts

Firstly, although perhaps an extreme case, the DATA GLOBAL analysis would tend to demonstrate that whilst selecting key accounts on a national level may be a problematic task, when raised to the international level this can become a mammoth one. The selection of an account for "special treatment" with a view to increased returns for the supplier calls for a systematic appraisal of on the one hand the different types of value the account represents (reference value, turnover, access to markets and

technology etc.). This implies the need for appraisal of the diverging perspectives different people in the supplier's organization (geographical subsidiaries, sites etc.) may have on what represents value, and how in their view the key account rates along each dimension The KAM task is subsequently one of firstly assessing the overall value of the account, bearing in mind that conflicting opinions may well prevail, and then ensuring that this assessment is understood and shared by all concerned.

Planning for KAM

Strategic planning for International KAM call for consideration of the often extreme degree of complexity of the situation described here, with cumulated management of the three Global KAM network components.

Several levels of analysis are required. Each key account calls for a separate analysis and strategy in its own right. Certain accounts may lend themselves to further "segmentation" analysis, not required by others. And logic across the key account portfolio - breaking it down further into homogeneous groups of key accounts each with a specific managerial approach, if appropriate, does not appear to lend itself to superficial criteria such as "number of subsidiaries" for example. Rather combinations of multiple factors, such as indicated in Table 1, provide a basis for an initial potential typology

The role of the Key Account Manager and the KAM function

Clearly little possibility of a "standardised" international key account manager's role organization exists here. Rather it is a question of finding an appropriate organizational response taking into account network reality. Any standardization is to be found at this level. Thus depending on the results of general analysis, on breakdowns of the key account portfolio, on profile and on possible segmentation of specific key account situations, multiple difference parallel solutions are likely. Skills required of the key Account manager will, then, vary within the organization, as will the organization of the KAM function as a whole, from one part of the portfolio to another, from one account to another, and even within a given account, if appropriate handling is to occur.

Dynamics and the need for flexibility

Another fact highlighted by the case is the constant dynamics and evolutionary processes in the between actors within the supplier and customer firms and between them, system. Relationships are in a state of permanent flux. Shift in one or several relationships can risk tilting the whole key account management game. KAM thus becomes a process itself of anticipating potential shift, and either acting to prevent it, or else - where preventive action is considered futile or unwarranted - taking it into account and acting appropriately. KAM solutions need to be all the more flexible so as to be able to respond and adapt to shift accordingly, another factor complicating the idea of standardization.

CONCLUSIONS AND FURTHER RESEARCH

Network analysis of the KAM context would seem to provide concrete elements for improved understanding, monitoring and strategic management of International KAM which go beyond the usual theoretical integration/ differentiation and centralization decentralization debates. Some generic factors conditioning the form these networks

may take have been identified. Different Global KAM networks have been proposed. In all cases International KAM reveals itself to be a complex issue, defying traditional attempts at management.

Network mapping, in particular, provides a fairly comprehensive model of reality, highlighting focus for management attention. The case studied here, however, is recognized as a particularly complex one. Further research will build on findings, focusing on a broader spread of KAM contexts, with a view to confirming or otherwise the issues discussed, and to developing them further.

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Table 1:
Generic factors influencing the KAM network context: Comparative Characteristics of the Supplier and Customer Firms in Interaction

		Data Global	Key Account X	Key Account Y	Key Account Z
Number Of International Subsidiaries/Units (High/Medium/Low)		HIGH	HIGH	LOW	LOW
Number of Hierarchical Levels of Subsidiaries/Units (High to Low)		HIGH (Het.)	LOW (Hom.)	LOW (Hom.)	MEDIUM (Het.)
Homogeneity Of Activity Of subsidiaries/Units (High to Low)		HIGH	HIGH	MEDIUM	LOW
Degree Of Strategic Autonomy Of Subsidiaries/Units (High to Low)	Overall	HIGH (Het.)	HIGH (Hom.)	HIGH + LOW (Het.)	HIGH (Hom.)
	Purchasing		HIGH (Hom.)	HIGH + LOW (Het.)	HIGH (Hom.)
	Marketing/Sales	HIGH			
	Technology/Data Processing		MEDIUM to LOW (Hom.)	HIGH + LOW (Hom.)	HIGH (Hom.)
Quality of Vertical Relationships (H.Q./Subsidiaries etc.)	Conflictual/Cooperative	CONFLICT. (Het.)	NEUTRAL/COOP. (Hom.)	CONF. + COOP. (Het.)	NEUTRAL
	Hierarchical/Non-hierarchical	Non-hierarch. (Het.)	Non-hierarch. (Hom.)	Hierarchical (Het.)	Non-hierarch. (Hom.)
Quality of Lateral Intra-organisational Relationships (Subsid./Subsid. etc.)	Conflictual/Cooperative	CONFLICT. (Hom.)	NEUTRAL (Hom.)	CONF. + COOP. (Het.)	CONF. + COOP. (Het.)
	Independence/Interdependence	INDEPEND. (Het)	INDEPEND. (Hom.)	INDEPEND. (Hom.)	INDEPEND. (Het.)
Speed of Organisational Change (High to Low)		HIGH	LOW to MEDIUM	MEDIUM	MEDIUM
Relative Strategic Importance of the Customer to the Supplier			LOW to MEDIUM	MEDIUM to HIGH	HIGH
Relative Strategic Importance of the Supplier to the Customer			LOW to MEDIUM	MEDIUM	HIGH
Degree of embeddedness in national /local environments		HIGH	HIGH	LOW + HIGH (Het.)	MEDIUM

. Each box contains on the one hand an overall qualitative assessment of the firm's average situation relative to a given characteristic, and on the other an assessment of the degree of homogeneity or heterogeneity of the phenomenon across the organisation (Hom = homogeneous, Het.= heterogeneous).

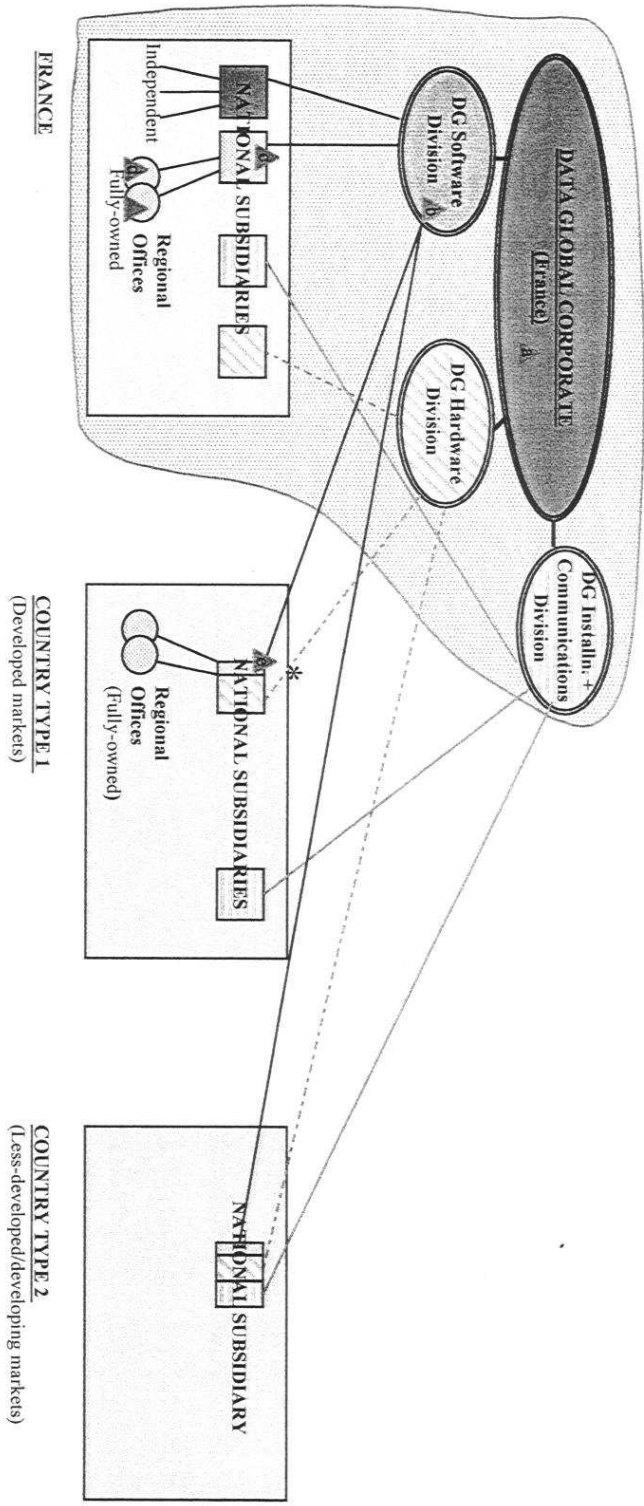
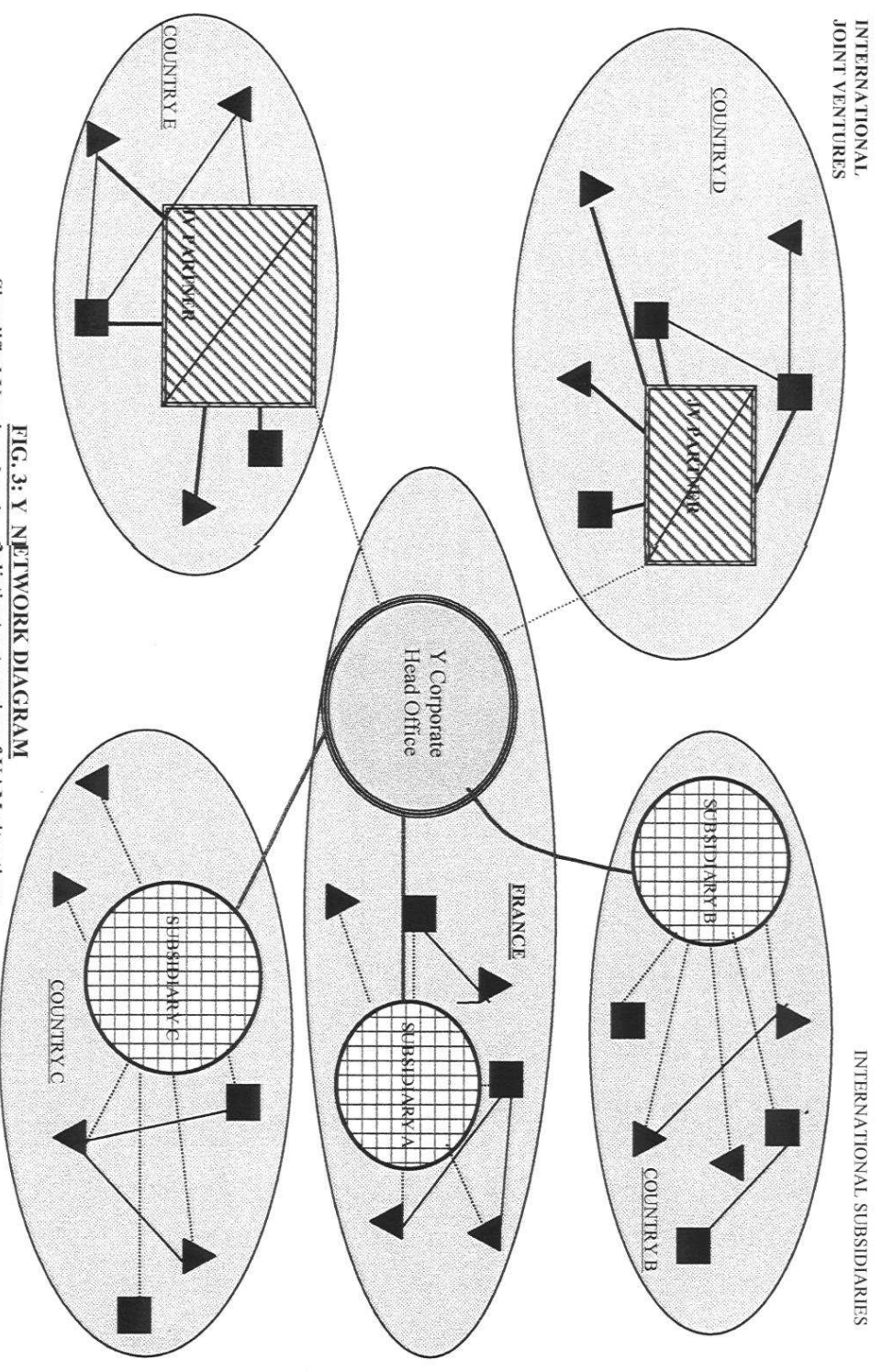


FIG.1: DATA GLOBAL SIMPLIFIED ORGANISATION CHART:
 (Showing typical organisation by country type, and France)

- ▲ Indicates location of elements of formal KAM structures (in b. absence of symbol indicates absence of formal KAM function):
- a: Corporate KAM. Embryonic. Monitoring/federating function. Coordination of "Package/system" offering
 - b: Divisional KAM. Represented by National KAM. Focused on French operations. Pilot development in subsidiary in Spanish market
 - c: National KAM (subsidiary level). Coordination of KAM across the activities of one subsidiary (France only)
 - d: Regional KAM. Dual system (i) National KAM oriented (ii) Local KAM driven (little/no coordination with National KAM)
 - e: Pilot KAM. * Spanish market only



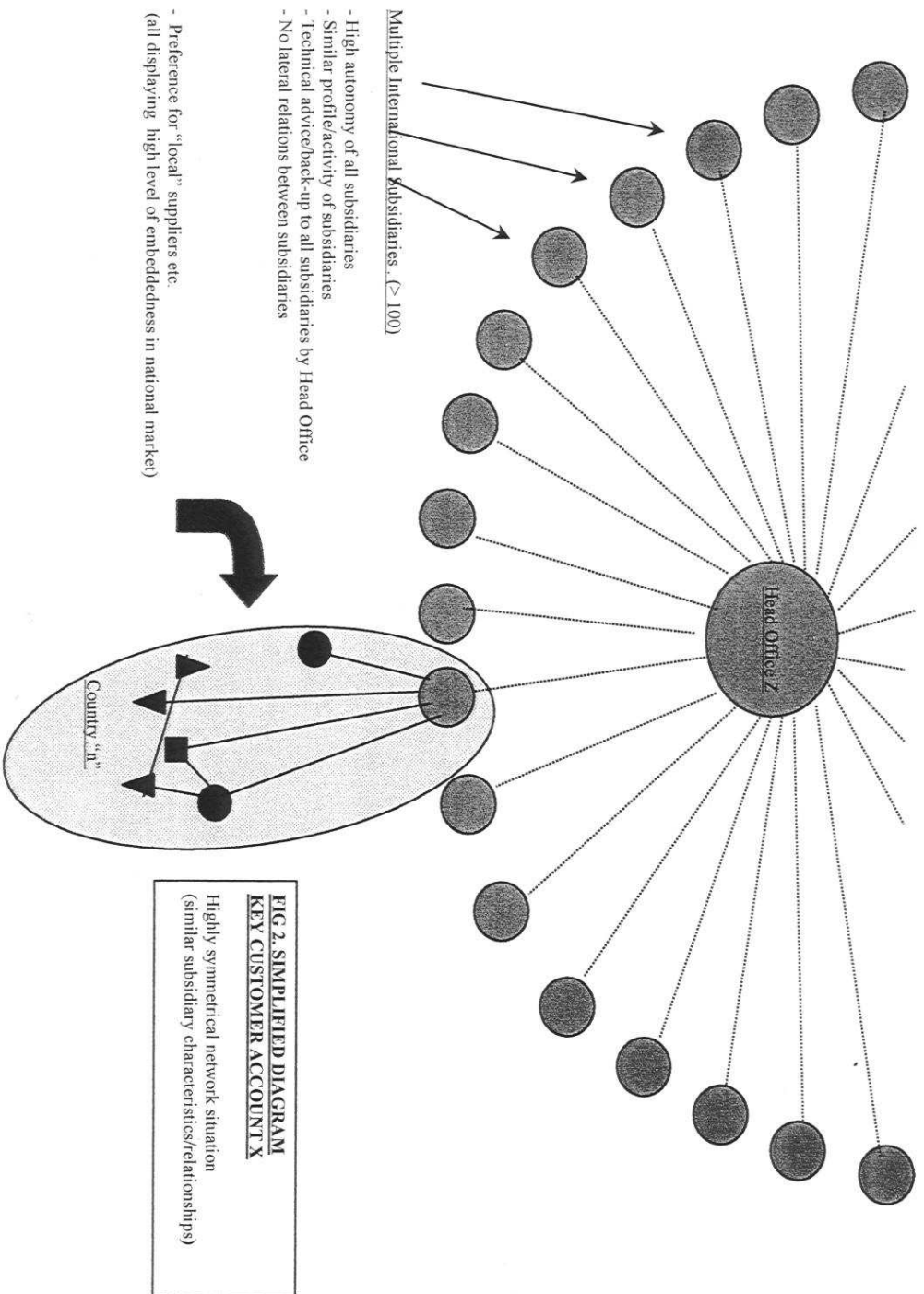
INTERNATIONAL
JOINT VENTURES

INTERNATIONAL SUBSIDIARIES

FIG. 3: Y NETWORK DIAGRAM

Simplified Version showing 2 distinct categories of KAM situation:

Subsidiaries (A, B and C) and JVs (D and E), both demonstrating high levels of national network "embeddedness"
(influence of relationships with local actors: suppliers, customers, government bodies etc.)



- High autonomy of all subsidiaries
- Similar profile/activity of subsidiaries
- Technical advice/back-up to all subsidiaries by Head Office
- No lateral relations between subsidiaries

- Preference for "local" suppliers etc.
(all displaying high level of embeddedness in national market)

**FIG 2. SIMPLIFIED DIAGRAM
KEY CUSTOMER ACCOUNT X**
Highly symmetrical network situation
(similar subsidiary characteristics/relationships)

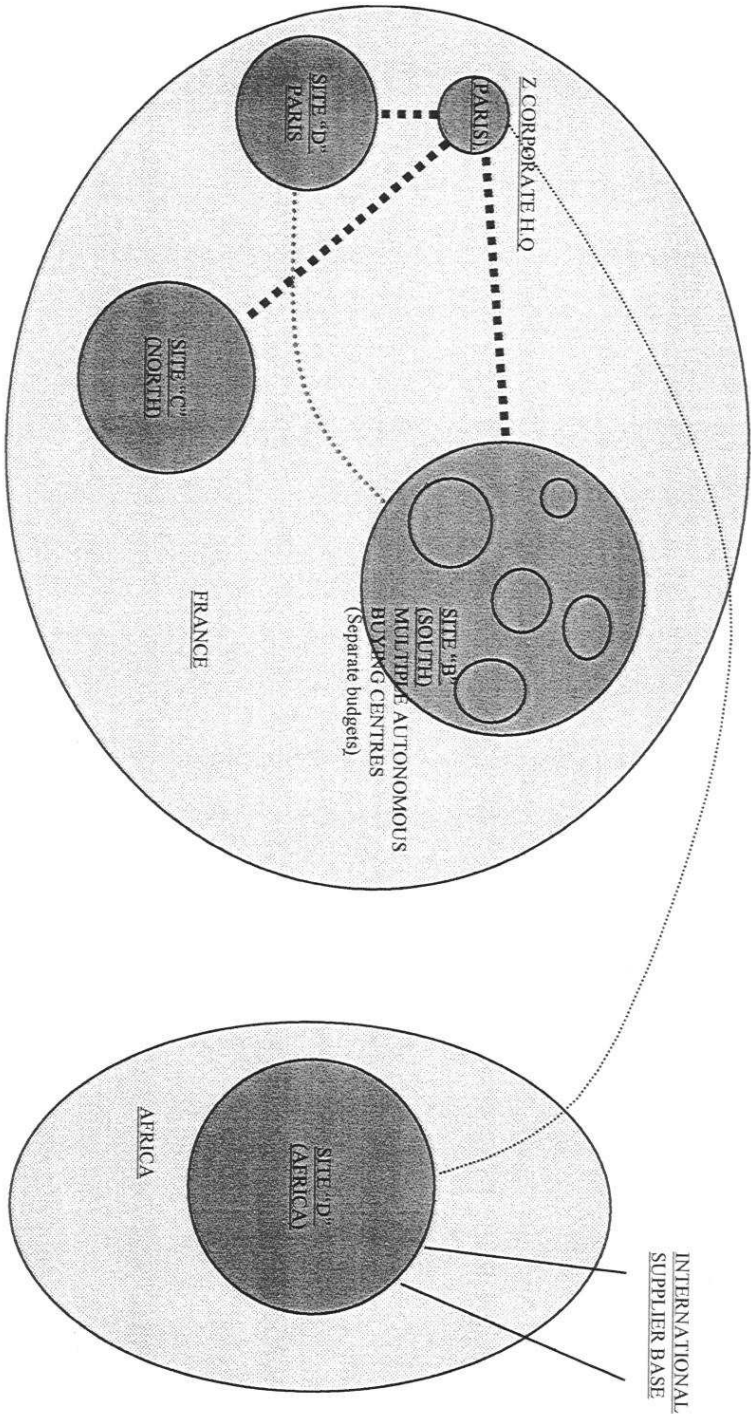


FIG 4. SUMMARY DIAGRAM: ACCOUNT Z
 Internal Network Situation (Operations in two countries only)

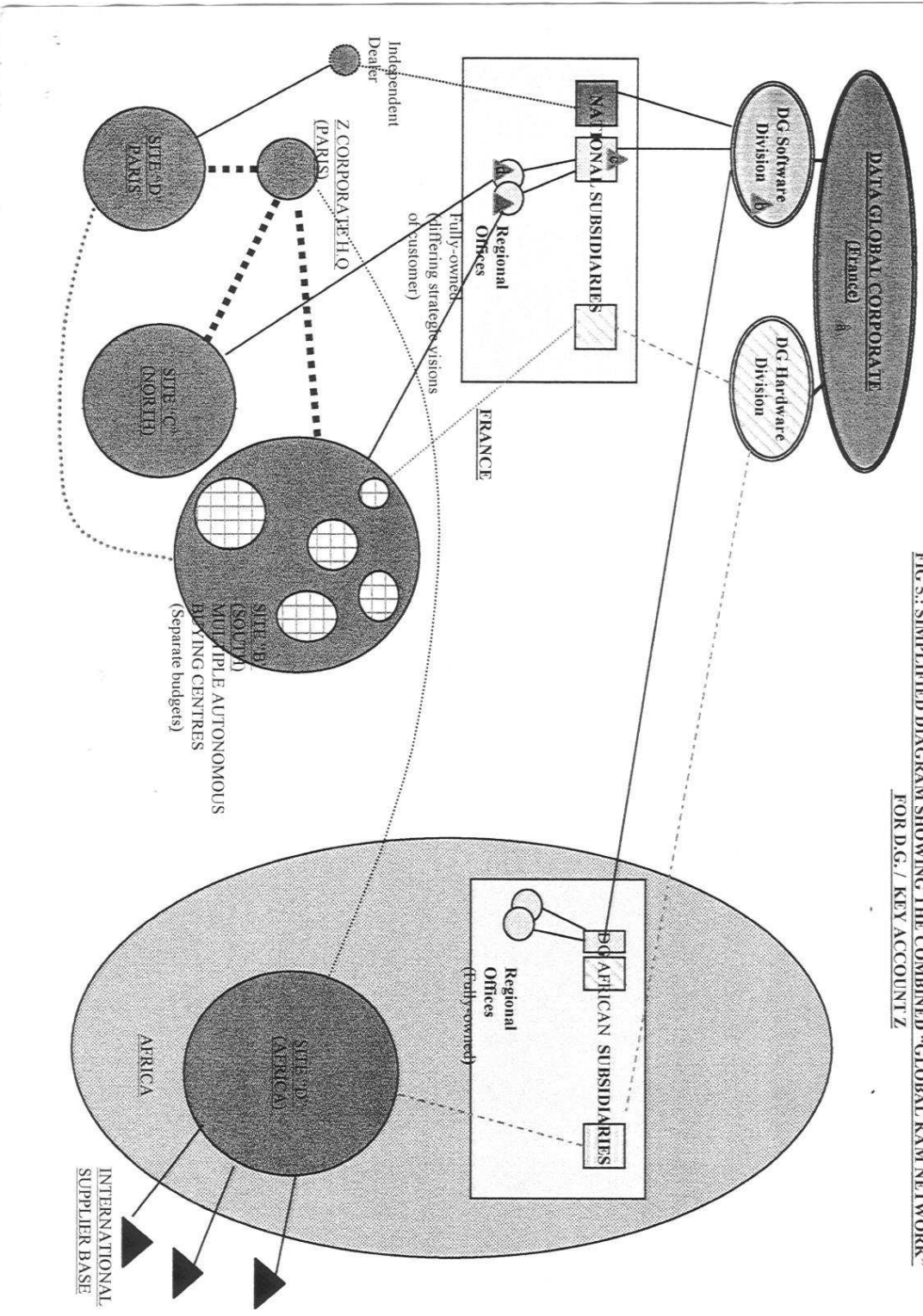


FIG. 5: SIMPLIFIED DIAGRAM SHOWING THE COMBINED "GLOBAL KAM NETWORK" FOR D.G. / KEY ACCOUNT Z