

# KEY ACCOUNT MANAGEMENT AND THE POST-BUREAUCRATIC TURN

**Markus Vanharanta, Alan Gilchrist, Andrew Pressey**

Department of Marketing, D Floor, Charles Carter Building, Lancaster University

Management School, Lancaster, LA1 4YX

Email: [a.gilchrist@lancaster.ac.uk](mailto:a.gilchrist@lancaster.ac.uk)

## **Structured Abstract**

### **Purpose:**

The key account management (KAM) literature has argued for the benefits of formal KAM programmes. However a negative and somewhat paradoxical relationship has been observed between KAM formalization and profitability (Homburg et al, 2002; Workman et al., 2003). We identify this tension as stemming from the unintended bureaucratic properties of some KAM programme implementations, where creeping bureaucracy may gradually undermine the objectives of a KAM process. The study seeks to address the following research questions: (1.) how and why can the formalization of KAM programmes and practices hinder effective KAM implementation in some situations and (2.) how can the problems of KAM formalization be overcome in practice?

### **Methodology**

An 18 month (340 days) ethnographic investigation was undertaken in the UK-based subsidiary of a major US sports goods manufacturer. In total, 113 in-depth interviews were conducted, comprising: 51 pre-KAM implementation interviews, 35 interviews undertaken while KAM was operational, and 27 post-KAM interviews. In addition, 10 KAM steering group (implementation team) and 17 KAM sub-group (operational level) meetings were observed.

### **Findings:**

We identify how and why formal KAM programmes may have the unintended consequence of increasing organizational bureaucracy, which may in turn hinder the

efficient functioning of KAM. We demonstrate how Post-Bureaucratic KAM practices can be used to overcome many of these challenges. We believe that this theorizing will contribute to improving the effectiveness and success rate of KAM practice.

**Research implications:**

The theorizing draws intellectual insights from the Post-Bureaucratic developments within organization studies, signalling the importance of a parallel Post-Bureaucratic turn in KAM. The Post-Bureaucratic KAM thesis addresses the limitations of formal KAM programmes; how and why formal KAM programmes may have the unintended consequence of creeping organizational bureaucracy, which may in turn hinder the effectiveness of KAM.

**Practical implications:**

Despite the potentially problems inherent in bureaucratic forms of control, we do not advocate the wholesale rejection of formal KAM programmes. We suggest a need for reflexivity in KAM practice; a reflexivity which actively guards against creeping KAM bureaucracy, without entirely abandoning formal KAM controls.

**Originality/value:**

A new line of enquiry is identified; one which is gradually emerging in the extant KAM literature - the Post-Bureaucratic turn in KAM. We provide implications for marketing practice and theory. This new understanding calls for a Post-Bureaucratic KAM practice, whereby KAM is advanced by mitigating the potentially adverse effects of bureaucracy.

**Paper classification:** Research

**Key words:** Key Account Management; Bureaucracy; Post-Bureaucratic Turn.

## **Introduction: The Trouble with Key Account Management?**

The successful implementation of formal key account management (KAM) programmes is thought to lead to benefits, in the form of increased supplier profitability, improved customer communications, and greater leverage for both the buying and supplying firms (Stevenson 1982; Cespedes, 1992, 1995; Hutt et al., 1985; Olson et al., 1995; and Moon and Gupta, 1997). However, recent empirical studies have begun to problematize many of these founding assumptions. Most importantly, empirical studies have reported a negative relationship between KAM formalization and performance (Homburg et al, 2002; Workman et al., 2003). In addition, formal KAM control and the related formalized structures have been observed to reduce flexibility and entrepreneurial spirit (Spekman and Johnson, 1986), to generate unexpected bureaucratic outcomes in excessively formalized organizational structures (e.g. Pardo et al., 1995), and to promote an “...excessive KAM zeal” (Cheverton, 2004: 73).

In this study, we seek to address these tensions in KAM research by considering the following research questions: (1.) how and why can the formalization of KAM programmes and practices hinder effective KAM implementation? and (2.) how can the problems of KAM formalization be overcome in practice?

To bring clarity to these central problems of KAM, we report findings from what we believe to be the first comprehensive ethnographic study of the implementation of a formal KAM approach. Methodologically, prior KAM research has been chiefly grounded in survey and interview-based studies. While these empirical methods have significantly contributed to our understanding of KAM, a central weakness of the current literature stems from the absence of longitudinal real-time observations of actual KAM

implementation. The ethnographic method deployed in this research enabled the in-depth investigation of the complex nature of the practice of KAM implementation. This richer empirical material has enabled us to identify and theorize a new trajectory of KAM thinking, namely the “Post-Bureaucratic-Turn” in KAM. Evidence of the importance of this new line of thinking has been emerging in various KAM studies, yet the importance of the underlying theoretical argument has remained unidentified (cf. Spekman and Johnston, 1986; Pardo et al., 1995; Workman et al., 2003; Homburg et al., 2002; Jones et al., 2005; Wengler et al., 2006). As a result, the KAM literature has lacked the required theoretical umbrella concepts to adequately crystallize some of its main challenges, such as the observed negative relationship between KAM formalization and performance (Homburg et al, 2002; Workman et al., 2003), and the reduced flexibility and entrepreneurial spirit that appears to be associated with formal KAM structures (Spekman and Johnson, 1986).

Drawing on intellectual influences from the parallel movement in management studies (Merton, 1957; Crozier, 1964; Seabright and Delacroix, 1996; Styhre, 2008) the “Post-Bureaucratic KAM thesis” we introduce theorizes how and why the formal mechanisms of control in KAM simultaneously both enable and hinder the implementation of KAM. Specifically, we examine organizational bureaucracy as an unintended consequence of formal KAM programs, something which may in turn hinder the efficient functioning of KAM. This article contributes to the KAM literature, by addressing this problem and recognizing the possibility of reversing the underlying ordering principle, which has traditionally guided KAM programmes. This is to say that KAM may at times benefit from qualities of post-bureaucratic managerial practices, by

reducing the formalization and related bureaucratic tendencies of conventional KAM implementations. The objective of Post-Bureaucratic KAM is to facilitate the effective implementation of KAM by mitigating the adverse effects of formalization and bureaucracy.

We begin this paper by reviewing the extant KAM literature. We then proceed to elaborate this new understanding by drawing evidence from our 18 month ethnographic investigation of KAM implementation. This is followed by the introduction of a new conceptual framework that utilizes the central thesis of Post-Bureaucratic KAM. We conclude the paper by outlining managerial implications and directions for future research.

## **Key Account Management, Bureaucracy, and the Post-bureaucratic Turn**

### **KAM Organization**

The KAM literature is both extensive and relatively ubiquitous in industrial marketing management. KAM has been formally defined as “targeting the major customers of the company (and) providing them with special treatment in the field of marketing, sales administration and service” (Barret, 1986: 22). KAM seeks to generate benefits from (1) a holistic understanding of key accounts and (2) the improved co-ordination of KAM activities (Pegram, 1972; Shapiro and Wyman, 1981; Stevenson, 1981; Coppett and Staples, 1983; Platzer, 1984; Pardo, 1999; Homburg et al., 2002; Workman et al., 2003). The KAM “logic” is premised on the assumption that the totality of a key account

management process is more than the sum of its individual processual components; and that the benefits of managing this totality outweigh its costs.

To achieve the desired coordinative effect in practice, the KAM literature prescribes that organizations establish formal KAM programmes (Homburg, 2002; Workman et al., 2003). These programmes define the nature of required inter-departmental linkages, reporting structures, KAM budgets, and data collection routines (Boles et al., 1994; Homburg et al., 2002; Workman et al., 2003). As another element of formalization, KAM programmes tend to establish the position of a Key Account Manager, the role of which is based on formal job descriptions, reporting structures, performance targets, and coordinative mechanisms (Wotruba and Castleberry, 1993). The key account manager is then often given the responsibility to coordinate the activity of the different organizational functions in the service of the key account (Shapiro and Moriarty, 1984a; Pardo et al., 1995). In addition, the key account manager may be assigned responsibility for increasing the efficiency of this cross-functional key account servicing team. For example, cross-functional teams may couple diverse sources of knowledge together (Moon and Armstrong, 1994; Workman et al., 2003), which can lead to a multi-level and multi-functional approach to KAM and organizational selling (McDonald and Wilson, 1989; Millman and Wilson, 1996; McDonald et al., 1997; McDonald, 2000; Workman et al., 2003).

Successful KAM implementation has often been regarded as a relatively straightforward process. Indeed, much of the KAM literature has focused on prescriptive normative statements concerning what managers should do to ensure KAM success and the benefits it can provide (Stevenson, 1981; Shapiro and Moriarty 1982, 1984a; Coppett

and Staples, 1983; Barrett, 1986; Hutt et al., 1985; Spekman and Johnson, 1986; Kempeners and Hart, 1999; Millman and Wilson, 1994, 1995a, 1995b; McDonald et al. 1997; Lambe and Spekman, 1997; McDonald 2000). For example, while KAM can play a role in establishing successful long-term partnerships with customers (Cespedes, 1992, 1995; Hutt et al., 1985; Olson et al., 1995; and Moon and Gupta, 1997), KAM programmes have also been argued to improve supplier profitability, generate improved communications with key accounts, facilitate improvements in co-ordination within key accounts, and improve the rate of new product acceptance (Stevenson 1982; Barrett, 1986; Lambe and Spekman, 1997; Abratt and Kelly, 2002). In addition, the complexity of some key customers can be seen as a catalyst for an increased need for key account co-ordination, whereby the integration of specialist knowledge is required across many of the functions of the supplying organization. The underlying rationale for the importance of KAM outlined above has been by-and-large accepted in the industrial marketing literature. However the majority of this research has been theoretically uncritical; with some notable exceptions (Pardo et al., 1995; Hertz and Viglon, 2002; Piercy and Lane, 2006; Workman et al., 2003).

Against this background, we seek to examine how the formalization of KAM may lead to inefficiencies through the creation of additional bureaucracy. In addition, we examine how the notion of Post-Bureaucratic KAM may provide an alternative mode of co-ordination in the servicing of Key accounts.

### **Towards a Post-bureaucratic Perspective of KAM**

In this paper we examine the complex nature of KAM and the related danger of the unintended bureaucratic outcomes of formal KAM programmes. We posit that in addition

to the various benefits of KAM, an unintended KAM-bureaucracy may emerge out of the well-intentioned (but gradually excessive) implementation of organizational control mechanisms, such as KAM procedures, structures, and protocols. We theorize how KAM can address these contemporary challenges by embracing the post-bureaucratic turn in management (see Crozier, 1964; Merton, 1957; Seabright and Delacroix, 1996; Styhre, 2008).

The post-bureaucratic turn in management studies stems from the growing recognition of the need to transcend the unfavourable effects of formal mechanistic control (Crozier, 1964; Merton, 1957; Seabright and Delacroix, 1996; Styhre, 2008) and exploit the organic coordinative power of the informal organization (Burns & Stalker 1961; Blau 1955). The shortcomings of bureaucracy have been extensively studied and debated ever since Max Weber (1946) conceptualized modernity as a movement towards ever-tightening forms of bureaucratic control. While bureaucracy is an enabler of organizational order, its “iron cage” also generates additional problems as an unintended consequence. At the same time, however, the benefits of bureaucracy have also been documented by several authors (e.g. Adler and Borys, 1996; Du Gay, 2000; Goodsell, 2004). For example, in his “Praise for Bureaucracy” Du Gay (2000) identifies bureaucracy as a source of fairness and equal opportunity, which has safeguarded the less powerful from favouritism and opportunism. In this regard, the protection provided by bureaucracy was a significant anthropological innovation that led to the emergence of new classes of professionals (Kallinikos, 2003). In addition, it was the modern notion of bureaucracy, which enabled the separation of job assignments and the individuals performing. This paved the way for new forms of hierarchical control, standardized

working practices, and the quantification of work performance. In addition, bureaucracy has been argued to facilitate more clearly defined responsibilities, reduce stress levels, and to “make individuals feel more effective” (Adler and Borys, 1996: 61). All of these positive properties of bureaucracy can have favourable contributions to KAM. In fact, it is difficult (and wrong) to envisage a formal KAM programme entirely devoid of bureaucratic control.

At the same time, however, we can identify various problems associated with bureaucracy in formalized KAM programmes. While formalized KAM programs can provide a useful means for the co-ordination and control of organizational activities, formalization tends to make an organization less responsive to changing situational challenges as a result of the tightening of organizational controls and coordinative protocols (e.g. Heckscher, 1994). Paradoxically there is a danger that well-intended KAM programmes may, after a point, begin to hinder the very processes of key account sales and service that they seek to enhance. Here we are referring to various aspects of formalized KAM programmes, such as formalized division of labour (for example the position of the Key Account Manager), reporting structures, formalized key account performance measures, monitoring of employees, performance targets, paper trails, additional key account meetings, etc.

To be more specific, the formalization of KAM programmes is by-and-large achieved by establishing the formal role of a Key Account Manager. Such clear and formal division of labour is one of the defining characteristics of an organizational bureaucracy (Weber, 1946). The formal position of a Key Account Manager allows for increasing levels of managerial accountability and technical efficiency in KAM

implementation (see Weber, 1946). In addition, this formalization allows for an organization to more easily fill the same managerial position with another manager. Bureaucratic organization of KAM can however also lead to KAM becoming increasingly the responsibility of just one actor, the Key Account Manager, as opposed to being the shared responsibility of the whole marketing/sales team.

*“The paradigm of a bureaucrat's attitude - a good one as well as a bad one – is, “That's not my job”; and in the traditional organization, anyone who tries to break this bond will be told, “That's not your job” ...Segmentation of responsibility is vital to the massive effectiveness of the structure... This segmentation brings with it, however, a set of undesirable consequences.” (Heckscher, 1994: 20)*

In addition, the formalization of KAM practices is likely to result in additional powers being vested in the position of the Key Account Manager (Shapiro and Wyman, 1981; Pardo, 1999). For example, Pardo (1999) has described how KAM programs have led to Key Account Managers inadvertently assuming leadership of an entire sales force even if this was not the intention. This political dimension of KAM implementation problematizes simplistic notions of KAM as a straightforward techno-rationalistic process.

Overall, organizations need to make difficult trade-offs between the benefits and disadvantages of KAM bureaucracy, exemplified by the question of formalized centralization and decentralization of KAM responsibilities and related powers. For the most part, the extant KAM literature has favoured a one-sided solution of formalized centralization, particularly regarding the position of the Key Account Manager. For example, Kempeners and Van der Hart (1997) argue that adoption of a formal KAM system can bring advantages through centralizing the efforts of both the buyer and

supplier, leading to an increased customer orientation (Barrett, 1986; Stevenson, 1981; Kempeners and Hart, 1997). While this can often be the case, the adoption of bureaucratic centralization (versus decentralization) of Key Account responsibilities remains a significant organizational dilemma, for which there are no universal solutions. There are no “wins” in the centralization of key account responsibilities, without countervailing “losses” in the reduced benefits of decentralization (de Wit and Meyer, 1999).

The post-bureaucratic argument suggests that there are significant costs associated with formal mechanisms of control and monitoring, which are not necessarily covered by the benefits derived from this control (Crozier, 1964; Merton, 1957; Seabright and Delacroix, 1996). In addition, it is recognized that there can be benefits in relinquishing centralized KAM control and empowering those who best understand the problems at hand; this is often the manager closest to a particular problem, which may or may not be the Key Account Manager. This issue of control also relates to the question of employee motivation. If formal KAM practice reduces employee motivation, the benefits of KAM can become negated by shirking and loss of commitment, and may cause employees to find ways of bypassing unpalatable rules and formal structures.

In addition, there is a danger that formalized KAM structures (which privilege key accounts as the preferred point of integration, and Key Account Managers as primary coordinators) can undermine other significant modes of integration. Formalized KAM practices can hence become hegemonic structures which dominate other important coordinative mechanisms, resulting in unintended coordinative trade-offs that lessen organizational effectiveness. This means that to appropriately evaluate the benefits of

KAM implementation, the overall impact of a KAM programme needs to be examined, including the trade-off implications of KAM in other operational areas. Hence the benefit of KAM in isolation – as a separate organizational function – is a largely meaningless if not misleading measure of organizational performance. It is indeed possible for KAM implementation to be viewed as being highly successful, while simultaneously having the hidden unintended consequence of reducing overall organizational effectiveness.

Against this background, the remainder of this study illustrates these foundational tensions inherent in the KAM literature by drawing from a longitudinal ethnographic study of a programme of KAM implementation. We will specifically seek to illustrate how the operationalization of conventional KAM programmes and practices can hinder the effective operation of KAM, before positing how these problems can be overcome.

## **Methodology and Data Collection**

### **Company Selection and Context**

The research process was a longitudinal ethnographic study of KAM planning, design, and implementation in the UK-based subsidiary of a major US manufacturer of sports goods (*Fitcorp*) undertaken over a period of 18 months. Ethnographic studies are particularly valuable when a rich understanding of a phenomenon is required (Hammersley and Atkinson, 2007). During the course of the project, the research team were given the opportunity to engage in a programme of triangulated data collection, and were given a dedicated office space within the subsidiary, *Fitcorp UK*. One member of the team spent five days per week in the organization during the KAM implementation

phase in the organization. Due to the necessary and appropriate confidentiality agreement between the researchers and the organization, *Fitcorp* is employed as a pseudonym in order to protect the anonymity of the firm and individuals involved.

A review of empirical papers on KAM was undertaken. The review yielded some 43 empirical KAM articles<sup>1</sup> (Table 1); however, we found no evidence of the prior use of the ethnographic method. Our research would appear to be the first ethnographic study of a KAM implementation process as it unfolded over time. This is significant as the ethnographic research method enables the production of thicker and longitudinal descriptions of KAM implementation in practice; a thick description that reveals the importance of a post-bureaucratic turn in KAM.

**Table 1**  
**Prior KAM Research: Methodological Basis**

<b>Empirical Basis</b>	<b>Number</b>
<i>Survey</i>	17
<i>Interview</i>	12
<i>Conceptual</i>	8
<i>Case study</i>	5
<i>Focus Group</i>	1

An 18 month (340 days) ethnographic investigation was undertaken comprising both participant and non-participant observation. In total, 113 in-depth interviews were conducted, comprising: 51 pre-KAM implementation interviews, 35 interviews undertaken while KAM was operational, and 27 post-KAM interviews. These interviews

---

<sup>1</sup>Review was based on the extant empirical papers on KAM identified in the following journals: *European Journal of Marketing*; *Industrial Marketing Management*; *Journal of Personal Selling and Sales Management*; *Journal of Consumer Marketing*; *Marketing Management*; *Journal of Marketing*; *Journal of Marketing Research*; *Journal of Business Research*; *Journal of Business and Industrial Marketing*; *Harvard Business Review*; *European Management Journal*; *Journal of the Academy of Marketing Science*; and *International Marketing Review*.

were with the middle and senior managers of *Fitcorp*; numerous spontaneous *ad hoc* conversations with these staff members were also captured as empirical material. In addition, 10 KAM steering group (implementation team) meetings and 17 KAM subgroup (operational level) meetings were observed (Table 2).

In each meeting official progress documents were collected and field notes were made. The continuous ethnographic observations at the case study firm, the parallel interview data, and the observation of the specific KAM meetings enabled a deeper understanding of the empirical material and provided evidence of validity through triangulation. To compensate for research access at *Fitcorp UK*, the researchers undertook marketing/sales projects for the firm. We now outline the research process in more depth.

**Table 2**  
**Nature of field research**

	<b>Nature of field investigation</b>	<b>Duration</b>
<i>Ethnography</i>	Participant observations of marketing/sales/customer operations departments	18 months (340 days)
<i>KAM Implementation Meetings (steering group)</i>	Observation of 10 cross-functional KAM design and implementation meetings	3-5 hours per meeting, over a 12 month period
<i>KAM sub-group Meetings (operational)</i>	Observation of 17 cross-functional KAM design and implementation meetings	1-2 hours per meeting, over a 12 month period
<i>Semi-structured interviews</i>	Prior to KAM Implementation: - 51 interviews with Board Directors and Senior Managers During KAM Implementation: - 35 interviews with Board Directors and Senior Managers Post KAM Implementation: - 27 interviews with Managing Director, Marketing Director, Sales Director, and two senior managers	60-90 minutes each  60-90 minutes each  60-90 minutes each
<i>Company documents</i>	Emails, historical company data, meeting minutes	Continuous collection for duration of project

### **Data Collection**

The interviews were conducted with senior board-level managers and mid-level managers across all organizational functions including sales, marketing, product management, and with an external advisor who assisted in the implementation of the KAM programme. A key focus of each interview was the relevant managers' perception of the relationship *Fitcorp UK* held with each Key Account Customer, combined with their reflection on *Fitcorp UK's* position within the current UK sports market. Each interview was semi-structured in design (Kvale, 1996), and lasted approximately 60 to 90 minutes.

An additional stream of data collection began with the formation of the cross-functional KAM design and implementation team (the Steering Group) led by the external advisor over a 12 month period, plus the key account operational teams in *Fitcorp UK*. The meetings lasted on average three to five hours. Managers from marketing, sales (who acted as the key account managers), product management and customer operations participated in the meetings. All interviews and meetings were digitally recorded and transcribed, resulting in over 700 pages of transcribed material. The data was transcribed by the researcher present within the meeting to reduce any possible confusion.

In addition, the ethnographic research design also allowed data to be collected from *ad-hoc* and often spontaneous conversations within the organization with individuals at all levels and across all functions during the 18 month period, as noted. Some of this interaction was recorded in a research diary, which comprises of 266 pages of notes, including 120 pages of field notes. The majority of these conversations, however, were not recorded, and took place either over morning coffee in the *Fitcorp UK* HQ Café, in bars near *Fitcorp UK's* offices, or in employees' offices. These conversations were invaluable in socialising the researcher within the organization, to help gain the trust of *Fitcorp UK* employees, and to provide contextualization.

### **Validity and Reliability**

Three aspects of validity (internal, construct and external) were adopted in order to ensure rigour in the data collection and results. The first, internal validity (or logical validity) refers to the plausibility and credibility of research results and conclusions (Yin, 1994; Cook and Campbell, 1979). This was controlled in several ways. In order to aid

internal validity, multiple perspectives were collected through interviewing actors at different points in the network (Yin, 1994), and through a process of pattern matching (Denzin and Lincoln, 1994; Eisenhardt, 1989) by comparing empirical patterns established in previous studies, and between each of the participants interviewed.

The second, construct validity, refers to “...the quality of the conceptualization or operationalization of the relevant concept” (Gibbert, Ruigrok and Wicki, 2008:1466) or, does the study investigate what it purports to be investigating? To help ensure construct validity and to aid triangulation (Denzin and Lincoln, 1994), the different data collection strategies and sources (i.e. in-depth interviews, meeting observation, official progress documents and minutes of meetings) were employed in order to gain alternate perspectives of how the KAM implementation was perceived.

The third, external validity refers to the generalizability of a study’s findings (McGrath and Brinberg, 1983). Although interpretivist methodologies cannot provide statistical generalization, this does not mean that they are “...devoid of generalisation” (Gibbert et al., 2008:1468). Interpretivist studies can strive for analytical generalization; generalization to theory using empirical evidence (Eisenhardt, 1989). Hence the findings of the study were periodically contrasted with the existing KAM literature, a form of systematic combining (Dubois and Gadde, 2002).

Finally, reliability refers to the extent that similar insights can be produced by subsequent researchers replicating the study (Denzin and Lincoln, 1994). Gibbert et al., (2008) suggest that transparency and replication are two primary methods to help aid reliability. Initially, transparency can be controlled through the use of a study protocol, while replication can be controlled by creating a study database. For the present study, a

study protocol was developed that outlines how the study was conducted and a database of study notes, transcribed interviews, minutes of meetings and observations of meetings was utilized in order to facilitate case study replication (Leonard-Barton 1990). In addition, the researcher based in the organization kept a field diary which was used, in part, to question the results of the study and to help provide context. In the following section we briefly outline the key findings as regards KAM implementation at *Fitcorp UK*.

### **Findings: The Implementation of KAM at *Fitcorp UK***

#### ***Fitcorp UK***

*Fitcorp UK* is a wholly owned UK subsidiary of *Fitcorp US* (a global sports goods manufacturer with sales of approximately \$3bn worldwide sales revenue (at the time of the data collection) *Fitcorp UK* employed 250 personnel in the UK across several business functions – sales, marketing, product management, customer operations, logistics and finance (Table 3). *Fitcorp* is a successful brand, enjoying considerable UK success on the back of strong US market performance in sports as diverse as basketball, tennis, and athletics. Prior to the instigation of the project, the UK sports goods market had seen an extensive consolidation of retail channels; the number of retailers had reduced dramatically and there existed just four large retailers customers which *Fitcorp UK* designated to be their “key” accounts.

**Table 3**  
***Fitcorp* Key Company Demographics**

<i>Organization</i>	<i>Fitcorp</i> UK
<i>Parent Organization</i>	<i>Fitcorp</i> US
<i>Market/Industry</i>	Leading Worldwide Sports Goods Manufacturer
<i>Worldwide Turnover</i>	\$3.0bn
<i>UK Turnover</i>	£250m
<i>Number of UK Key Accounts</i>	4
<i>% of Turnover with UK Key Accounts</i>	80% (approx)
<i>Organizational Structure (Prior to KAM)</i>	UK Board: 8 Directors Senior Functional Managers : 10 Business split into two sections: Categories A and B Key Functions: Marketing, Sales, Product Development, Customer Operations, and Logistics.

The structure of the business was based on a traditional hierarchical model, with a UK board of directors. The UK MD reported directly to the US board of directors. There existed separate sales teams consisting of national sales managers split across product division, both working, and selling independently of one another for the same Key Account. The two sales teams would also work independently intra-organizationally with separate product management teams: each of the main product categories.

The UK relied upon and received all products in one of the categories pre-designed from the US “*in line*” catalogue. Thus, little product development and design occurred in the UK, except for minor customizations at special request from customers (“Special Make Ups” – SMUs). The organization and design of the other main product category of the *Fitcorp* UK business was entirely different, with total design being produced in house in the UK, and dependant on UK resources and budget.

**The Case: KAM Implementation at *Fitcorp* UK**

The totality of the KAM intervention within *Fitcorp* UK may be viewed and understood as four distinct phases. We label these: Pre-KAM, KAM Implementation, Formal KAM

and finally, Post-Bureaucratic KAM. This sequence of stages is not intended as a life-cycle model of KAM. While this was the sequence of stages observed in this longitudinal study, we are not arguing that other companies would follow the same sequence over time. Instead, the stages highlighted in this study allow us to examine in detail central properties of formalized KAM and Post-Bureaucratic KAM. These individual stages will now be examined in more detail.

### *Phase 1: Pre-KAM*

There was a growing recognition within *Fitcorp UK* that they were losing customer penetration relative to competitors, and that they were suffering reduced margins and profitability. The Product Manager acknowledged the severity of the situation:

*“We need to increase margins. If we don’t then some of us around this table will not be here in pretty quick smart time.”*

*“We have not got the power with the retailers. I do not think that people around this business realize that we are on the cusp of falling into the second division as far as brand is concerned. What this is really about is recognizing as a business that we have to totally change the way we work with customers and do things that are more strategic.”*

*Fitcorp UK* drew on the expertise of an external advisor – who had extensive experience in marketing management including KAM implementation – in order to help diagnose the problems faced by the organization. Four issues were observed:

- 1. The perceived poor level of top management commitment to cross-functional collaboration and lack of integration and co-ordination, at board level and downstream at management and operational level;*
- 2. The problematic and marginalized nature of the marketing department within the organization (which was viewed as an island);*
- 3. The UK Managing Director being perceived as wholly sales focused; and*
- 4. A tactical (as opposed to strategic) approach to selling for all Key Accounts due to a complex combination of internal and external factors. This included increasingly demanding and powerful accounts, a weakening *Fitcorp* brand, and*

*pressure to achieve short-term sales targets as determined by their US parent organization.*

In sum, these issues were seen to be driving the need to implement KAM. Taken in combination, these factors were viewed as signalling the absence of any meaningful strategic KAM system or programme in place despite the presence of only four major retail customers who were viewed as “key” accounts by *Fitcorp UK*. Consequently, fragmented and deteriorating Key Account relationships were evident, as the external advisor commented:

*“Well, I told him (the MD) straight what his own people thought, and he wasn’t too happy with it. He just looked across at me and said, “What should we do?” I proposed that we mobilise a cross-functional account development team comprised, in the main, of appropriate ‘A-level’ managers from all the pertinent functions. The team would work on the development of a comprehensive and detailed Account Development Strategy/Action Plan for one of the key accounts. Once the team is operational we would plan discussions with respect to the Account Strategy, and its acceptance and implementation, with the director team.”*

The MD’s response was immediate: he directed managers of each function to jointly develop and implement a KAM programme for *Fitcorp UK* with the assistance of the external advisor. The advisor had previously developed KAM programmes for other similar sized (as well as larger) organizations. He held the view that formalizing KAM at *Fitcorp UK* was well-suited for the firm’s needs, in particular for working with their largest and most important customers.

### *Phase 2: KAM Implementation*

The *KAM Implementation* phase consisted of the mobilization of a formal cross-functional group brought together at mid-management level (termed the Steering Group) and facilitated by the external advisor. All functional managers were involved including

Sales, Marketing, Product Management (both product categories), and Customer Operations. The primary objective of the Steering Group was the development and planning of a KAM system from design to implementation. The project had the full backing of the MD and the board of directors. KAM implementation was dominant and paramount.

Chronologically, the *KAM Implementation* phase lasted between Steering Group meetings 1 and 10. Central to the first instalment of KAM Steering Group activity was a process of objective setting. Firstly, the team considered the organizational issues of a severe lack of internal co-ordination. Hence a systematic KAM programme was communicated as being of the highest importance to the organization. The primary focus of the planned KAM program was seen to consist of 6 main stages, which are characterised by a highly formalized and structured understanding of KAM (see Table 4).

**Table 4**  
**Key Stages of *Fitcorp's* Planned KAM Program**

---

1. Development of a shared cross-functional perspective on each Key Account in order to inform customer specific positioning documents;
  2. Exploitation of the KAM Steering Group as a forum for cross-functional decision-making concerning all Key Accounts, their impact upon one another, and how this related to the leverage of the Fitcorp brand.
  3. Development of specific co-ordinated Key Account Plans to drive process change and foster strategic KAM thinking;
  4. Full structural organizational change for customer facing roles. Design and delivery of cross-functional operational-level KAM teams to be led by dedicated Key Account Managers across both product lines for each Key Account;
  5. Design of relating documentation to observe and monitor events, decisions, and time-frames from the KAM operational-level team to feedback to the Steering Group; and
  6. Implementation of regular meetings of each cross-functional operational level team with attendance being compulsory.
-

The KAM Steering Group team had been informed that they were to take on the responsibility for developing and implementing individual Key Account Strategies for all four of *Fitcorp UK's* major customers. The use of Key Account Plans (KAPs) was perceived by the team as a mechanism not only of co-ordination, but of internal control. The development of account-specific KAPs involved three to five hour meetings of cross-functional deliberation and decision making. In addition, a proportion of each meeting was devoted to Key Account focused brand management planning surrounding a new sub-brand. In proposing and designing formal KAM during the 12 month period, the external advisor gained agreement from all team members that this vision of KAM as a centred organizational ordering of procedures and processes was the correct course of action for the organization. KAM, in this vision, was to be controlled by the Steering Group.

Five months into KAM implementation it was reported (at Steering Group meeting five) that the organization was beginning to realize greater customer commitment, promised sales, and improved brand equity. Reflecting on the expedient returns from KAM implementation, a Sales Manager observed at meeting five:

*“It’s amazing what happens when Sales and Marketing work together.”*

Further, the same sales manager stated:

*“At the moment, it’s far more positive than I think we could have hoped for. If we had gone about it (the product launch sell-in) in our usual way of selling and trying to hit deadlines, I think we would have slipped up.*

*“I think over the past months, this group has internally got itself together and has begun to work a lot better here, but what we have not been able to do is to transfer that into the accounts and take them on cross-functionally as well – this time we did.”*

In agreement, the Marketing Manager commented:

*“I really think that this is the way forward – we should be embracing this change.”*

As a consequence of this early success, the external advisor took the opportunity to re-emphasize the need to continue with the account planning, and the need for increased organizational control via the acceptance of the specific Account Servicing Teams by the existing sales managers. At a group meeting he observed:

*“To build on this success, we need you guys in sales to be active and to open the door on this Account Service Team and if you can get it working for (a Key Account) then you can get it working for all the other Key Account groups.”*

Further, the need for re-structuring at the sales manager level, in an effort to coordinate and centralize control across both product lines, was also proposed to the group by the external advisor and supported by the marketing manager, who commented:

*“Ok, the aim here is to have one single focal point in the account and thus coordinate across the two product categories and to make sure the coordination with Marketing is integrated and to make sure that bridge is intact. Take the lead, and make sure the other product group plays a role in key meetings.”*

Significantly, this re-structuring towards a centralized single Key Account Manager for each account was viewed as a positive step by those directly involved in the sales function, as the footwear sales manager noted:

*“There has been a lot of cross-over and I do think that when we come to another Key Account presentation perhaps we should have one owner of the whole process. This is not the case at the moment.*

*“I would have to say I would have liked to have seen how it worked out if we had had a full Key Account Manager over apparel and footwear for major Key Accounts.”*

During this stage of the implementation, the account planning process for key accounts continued. Individuals from differing functions were given specific tasks to collect information in order to develop a single central document to be referred to as the Key Account Plan. The commercial team brought past data on margins, analysis of the top-down US HQ targets for turnover for the year, and year-to-date sales figures; marketing brought US HQ-agreed marketing budget and forecast marketing spend as a percentage of revenue. Debate between members of all functions (as well as input from individuals working in teams in-between meetings on specific tasks) helped to create the Key Account Plan. The Key Account Plan outlined a targeted positioning and strategy for each Key Account, the Account Profile, the Key Account's perception of *Fitcorp UK*, and *Fitcorp UK's* perception of the Key Account.

### *Phase 3: Formal KAM*

By meeting nine, eight months into the project, the KAM programme had implemented most of the set development stages (see Table 4). Despite these successes, it was increasingly recognized by several senior managers that the KAM programme was becoming more unwieldy, increasingly time consuming, and difficult to support intra-organizationally:

*“I think we are in danger of over processing how we get there with this (the KAM project) and with the Account Servicing Team stuff.” (Sales Director)*

*“This group (the Steering Group) will be an extra complicating level doing the same thing. My big apprehension, of what I have seen of it (The Steering Group and Key Account Management Process) so far, is that it potentially duplicates a lot of work at every level; therefore, it is potentially inefficient.”(Sales Director)*

These concerns were particularly about the relationship between the KAM programme and *Fitcorp UK's* pre-existing organizational structures, rules and procedures. Overall, KAM implementation seldom (if ever) starts from a clean slate, but instead builds upon pre-existing conditions. As a result, implementation of KAM programs can easily cause a build-up of bureaucratic structures and an accumulation of activities, rules and procedures. This is a commonly observed quality of bureaucratic management:

*“Rules tend to accumulate: Whenever a mistake is made, a rule is made to prevent its recurrence; but there is no process for undoing it again...”*  
(Heckscher, 1994: 24)

For example, *Fitcorp UK's* KAM programme was initiated to address the short-comings of its past modus operandi. Yet, while the KAM program had been relatively successful in setting up new structures, there was very limited success in undoing pre-existing bureaucratic mechanisms and related power structures. *Fitcorp UK's* KAM implementation hence lacked many of the central principles of Post-Bureaucratic KAM. In addition, *Fitcorp UK's* bureaucratic management style resisted changes to pre-existing rules and procedures, which were now being supplemented, and at times, duplicated by the KAM programme. Even many of the company directors were resistant to abandoning their old modus operandi, as the KAM Steering Group began to assume more power in *Fitcorp UK's* strategic decision-making.

*“I have reservations about why they [Key Account team] are doing strategy formulation in the account. Surely that is the role of us as directors? They should be doing the operational day-to-day stuff, and nothing more.”* (Sales Director)

For these directors, the KAM program was a hegemonic ordering mechanism, competing with their own power structures. As a result, the political power implications of the formalized KAM program were becoming a threat to the programme's long-term survival.

*"We [directors] work on a three year strategy for the business with the key accounts, looking at how we map and resource our customers and working out where everyone fits within that. Once we cascade that down through the business from the director level, then that will be all the direction these people will need. We do not need this team, or this project to run the business."*(Sales Director)

In addition, there were particular concerns regarding the low level of flexibility and responsiveness offered by the KAM program. In this regard, formalization and accumulation of bureaucracy had made *Fitcorp UK* less responsive to changing situational challenges. This can be seen as a direct result of the tightening organizational controls and coordinative protocols (e.g. Heckscher, 1994). For example, after a key account had unexpectedly backtracked on a verbal sales-level agreement for the new UK product line, the KAM programme was seen as being too slow to respond to these new circumstances. As a result, *Fitcorp UK's* Formal KAM practice was being increasingly questioned:

*"Are we saying then, that the Key Account's organizational structure could all change again before we print this account plan out for the Account Service Team?"* (Key Account Sales Manager)

Eventually, based on these concerns, the decision was in the end taken by the senior management team to disband the formalized nature of KAM at *Fitcorp UK*. After the

project had come to an end, the Sales Director reflected back on the implementation of KAM in the organization:

*“It was too much and too difficult to move this organisation from all the way over here (no KAM) to all the way over here (fully implemented and formalized KAM) ... it is not what this organisation needs or what our customers want”.* (Sales Director)

These senior management concerns were simultaneously being echoed at the operational level. The Sports Marketing Executive commented:

*“They (the Steering Group) had no idea. They were telling us to get in there and develop account plans for the account, but that should be their job... we’re already on version 12 of the plan.”* (Sports Marketing Exec)

He further reflected on the difficulties experience in getting people to work cross functionally, which was one of the key objectives of the Formal KAM program:

*“...it’s like plating jam...”*

#### *Phase 4: Post-Bureaucratic KAM*

After meeting 12, the external advisor left *Fitcorp UK*. The Steering Group was disbanded to be replaced by a three-person director-level team known as “The Commercial Team” consisting of the Managing Director, Marketing Director, and the Sales Director. The new team essentially planned and managed the tactical events and strategic direction of all relationships with the business’s Key Accounts, meeting frequently and informally on an ad hoc basis. Geographically, their offices were on the same corridor. An open, hands-on approach to management replaced the closed, hierarchical system. With this, came an informal approach to KAM, which had Post-Bureaucratic qualities. This was observed in the new working practices at *Fitcorp UK* by a number of senior managers:

*“If you can get the relevant personnel around the table from differing functions once or twice per month, even if it is more ad hoc, then it is pivotal, as everyone is aligned to where we need to be and what we need to be doing. I think this is the way things will be done around here”* (National Account Manager).

*“Post project, it has definitely made the product and marketing teams more commercial so they have a greater understanding of our customer needs”* (Marketing Director).

*“Whereas at one stage product and marketing were almost irrelevant to the conversation (with the Key Account) they felt they were pushed down and battered and whatever, I actually think they are now relevant...product and marketing are having better conversations about setting the forward agenda”* (Marketing Director).

When adaption was required to deal with the varied challenges of new product launches, trade marketing campaigns, or sales negotiations, individuals from differing functions were informally involved. To this end, the organization viewed KAM as a form of coordinative practice as opposed to control. This working ethos aided in the development of a “softer” form of KAM, where managerial “rules of thumb” and expert experience were brought to decision-making processes culminating in ease of knowledge transfer and swifter tactical and strategic decision-making. The empowerment of individuals, in relation to KAM, was now rooted in flexible customer expertise, and less so in enforced participation:

*“...it’s now more about pulling in people to work on things with the customer when those people are really needed”* (Director, Footwear Product Development).

*“I think that people are now used to involving others from different departments in their meetings. They can be brought in and people are more comfortable about doing that”* (Product Development Manager, Apparel).

*“...what we are now is quite a lot faster with things moving at pace. We can make decisions and move. Now, when decisions have to be made, we all*

*contribute and get the job done” (Director, Footwear Product Development).*

Post-bureaucratic KAM co-ordination in *Fitcorp UK* was now facilitated more by trust, and supportive culture and norms, which improved the sense-making with respect to KAM challenges:

*“I think we now trust what others in the business are up to and we feel as if we’re going places” (Director, Footwear Product Development).*

*“I think we have broken down huge barriers in this business” (Marketing Director).*

From comments made during interviews conducted with the ex-Steering Group members (including the advisor) after the KAM intervention, it had become clear that a form of organizational change had occurred within *Fitcorp UK* as a result of KAM; change which was perceived in a positive light. This change came in the form of a differentiation in the behaviours and the interactions of individuals across the business with others from different groups or departments. As the UK product Development Manager for Apparel stated:

*“I think that a lot of people think that it (the Steering Group and the project) fell away a bit, but I think it needed to be done and it did the job...the senior management team (the commercial team) are now working in a way in which they have never done.*

*“...I think that it (the KAM project) did some good, and I think that people are a little bit more open in the business. I now get emails from people I never used to get them from asking me to come along and attend meetings. It has made me, and more people, more accessible.”*

## Discussion

In light of previous findings and in particular, the parallel post-bureaucratic turn in organization studies, we find strong grounds to re-examine some of the central tenets of the conventional KAM ideology. To begin with, we see grounds to distinguish between (1.) “Formal KAM” practice, which seeks to establish the formal role of Key Account Managers and impose centralized KAM controls upon an organization (or parts of an organization), and (2) a “Post-Bureaucratic KAM” practice, which lacks formal Key Account structures, and where KAM culture/norms inform shared sense-making and informal co-ordination of key account activities. In making this comparison, we recognize these two categories as polar forms of KAM; whereby real life KAM programs are likely to incorporate some aspects from both categories. In addition, by describing the sequence of events observed at *Fitcorp UK*, we do not seek to make life-cycle arguments regarding the general development of KAM programs. Post-Bureaucratic KAM can be also followed by periods of Formal KAM, and vice versa. In addition, we are not arguing that Formal KAM cannot be successfully implemented under different leadership and in an alternative organizational context.

**Figure 1**  
**Bureaucratic versus Post-bureaucratic Perspectives of KAM**

	<b>Formal KAM</b>	<b>Post-Bureaucratic KAM</b>
<i>Bureaucratic disposition</i>	KAM facilitated by enforcing formalized KAM practices, rules and procedures	KAM facilitated by mitigating the adverse effects of bureaucracy. Removal of formalized practices, rules and procedures that are used to control KAM.
<i>Division of labour</i>	KAM the primary responsibility of a Key Account Manager	No formal position of a Key Account Manager. KAM the responsibility of the entire sales/marketing team.
<i>Nature of social ordering</i>	Formal KAM programmes as mechanisms of control and coordination	KAM co-ordination facilitated by trust, culture and norms, which improve joint sense-making of KAM challenges
<i>Relative importance of KAM</i>	KAM dominates other integrative considerations	KAM as one consideration among others
<i>Mode of control</i>	Hard control: KAM enforced by formal reporting structures, measurable performance targets, and clear rules/procedures	Soft control: KAM control facilitated by organizational norms and culture.
<i>Mode of decision-making</i>	Formalized decision-making Processes and systematic information gathering, with rationalistic tendencies	Informal decision making: experience-based situational judgments, intuitive decision-making, heuristics, and rules of thumb
<i>Vision</i>	KAM-centred organizational order	Rejection of “orderly” KAM as a utopia; acceptance of KAM as “muddling through” and paradoxical organizational tensions; recognition that KAM implementation will yield unintended bureaucratic consequences which require reflexive monitoring and continuous corrective action.
<i>Locale of power</i>	Control of KAM centralized to a few key people	Empowerment of people closest to particular KAM problem
<i>Objective</i>	Full KAM implementation; KAM-discipline dominates unique situational considerations	Partial KAM implementation; adaptation to situational challenges based on local managerial judgment

Most importantly, Formal KAM and Post-Bureaucratic KAM have different dispositions to organizational bureaucracy. The former views KAM as facilitated and enforced by formalized KAM practices, such as the formal position of a key account

manager. In contrast, the latter sees KAM as facilitated by mitigation of the adverse effects of bureaucracy. This means that the Post-Bureaucratic thesis reverses the traditional Formal KAM approach to social ordering. To elaborate, while Formal KAM is primarily concerned with hard forms of control, Post-Bureaucratic KAM takes a more facilitative coordinative role, accommodating situational judgments. This facilitative function relies primarily on soft forms of control, such as trust, culture and norms (Denison, 1984; Peters and Waterman, 1982).

By relying soft forms of control, Post-Bureaucratic KAM is also more likely to accommodate other coordinative principles and mechanisms, in comparison to the more rigid Formal KAM. The bureaucratic nature of Formal KAM, such as the clear division of labour (Weber, 1946); can lead KAM to become an isolated consideration within the organization, driven by its own internal logic. Yet, combining KAM with other managerial angles is important as KAM is only one of many relevant managerial considerations in any given managerial situation.

In addition, there is a rationalistic undercurrent in Formal KAM, characterized by an attempt to provide Key Account Managers custodians of all key account information, which in itself is a precondition of rationalistic decision making. In Post-Bureaucratic KAM this precondition of the rationalistic decision-making ideal is abandoned. For example, Post-Bureaucratic KAM lacks the formal position of a Key Account Manager thus disallowing the bureaucratic reporting structure surrounding the integration of key account information. This means that Post-Bureaucratic KAM is likely to be based on a more bounded form of information gathering. While KAM can clearly benefit from more rationalistic systems of information gathering, such procedures do not always generate

improved managerial practices. For example, it has been demonstrated that satisficing (Simon, 1957) and even the most simplistic heuristics can at times outperform rationalistic decision making (Gigerenzer and Todd, 1999). In addition, quick intuitive insights and mental simulations of experienced managers can under often outperform rationalistic decision making in KAM (Klein, 1999; Vanharanta and Easton, 2010).

KAM implementation at *Fitcorp UK* exemplified many of the theoretical tensions between Formal KAM and Post-Bureaucratic KAM. Consistent with the traditional KAM literature, formal KAM principles were on the whole unquestioningly adopted as a panacea to better serve key accounts, and were at first adopted with considerable zeal by managers. Formal KAM was seen as a means to establish procedures for inter-departmental communication and additional artefacts, which created the formalized structure around KAM implementation. Despite early progress made in some key areas at *Fitcorp UK*, the inherent tensions related to formal KAM implementation – particularly the unintended bureaucratic qualities – contributed to the KAM implementation failure. Here it is important to view the KAM programme in relation to other bureaucratic tendencies at *Fitcorp UK*. For example, as a common bureaucratic tendency, the formal KAM programme increased managerial workloads, as opposed to reducing rules and procedures. In some areas, the Formal KAM program even created duplicate structures, as *Fitcorp UK* struggled to manage the relationship between pre-existing structures and the new structures of the Formal KAM.

Yet, from this failure emerged a more spontaneous Post-Bureaucratic KAM practice. This Post-Bureaucratic KAM practice benefited from soft forms of control, such as mutual trust between cross-functional teams, mutual sense-making, and shared

organizational norms. In addition, Post-Bureaucratic KAM benefited from the absence of time-consuming KAM meetings, and other forms of costly monitoring and control mechanisms. Nevertheless, the Formal KAM program had the effect of training *Fitcorp UK* managers how to better manage the key accounts. Before the KAM implementation, *Fitcorp UK's* management of their key accounts lacked inter-functional communication, deliberation and alignment of activities. In this regard, the Formal KAM program led to substantial improvements. This new understanding continued to benefit *Fitcorp UK* long after the formalized KAM structure was abandoned. *Fitcorp UK* hence retained much organizational memory of KAM principles and practice even if the Formal KAM programme was abandoned, making the emergence of Post-Bureaucratic KAM possible. Nevertheless, it was the problems experienced with burdensome bureaucratic procedures that resulted in *Fitcorp UK* embracing Post-Bureaucratic KAM practices, such as the broadening of contacts between individuals across the organization facilitated by informal decision-making, greater trust, new cultural norms, and greater employee empowerment – (see Figure 1).

#### *Managerial implications*

The digitalization of customer information has given top management increasingly greater capacity to monitor and control customer relationship management, including KAM activities. As a result, the implementation of bureaucratic forms of KAM control is likely to continue, and possibly even to gain additional momentum.

Despite the inherent problems of bureaucratic forms of control, we do not advocate the wholesale rejection of Formal KAM programmes. Formal KAM, even many

of the highly structured practices observed at *Fitcorp UK*, can have favourable influence upon KAM. For example, *Fitcorp UK's* Formal KAM programme functioned as an effective change device, one that resulted in improved management of relevant inter-dependencies and transformed organizational norms as regards KAM. Many of the benefits of the Formal KAM programme continued even after the Formal KAM program was abandoned.

In addition, Formal KAM and Post-Bureaucratic KAM need to be recognized as polar cases. In most real life KAM programmes, Formal KAM and Post-Bureaucratic KAM are likely to co-exist to some extent. It is hence significant for an organization to maintain an appropriate balance between these two extreme forms. Also, it can be argued that bureaucratic KAM practices are only possible due to their co-existence with some Post-Bureaucratic qualities. For example, strict compliance with bureaucratic procedures has been used as means of industrial action (work to rule), making efficient functioning of organizations impossible. In addition, in the case of *Fitcorp UK*, it was the organizational learning and memory gained through Formal KAM that made the Post-Bureaucratic KAM possible.

In addition, our findings suggest that it is vital to find improved means to manage the potentially adverse effects of Formal KAM. For example, it is common for bureaucratic practices to gain adverse momentum, and generate an inertia which is only periodically reversed by drastic top management intervention, such as restructuring.

*"[Bureaucracy] typically results in a tendency toward inertia and gradual degeneration over time, which can only countered by sudden and dramatic "shaking-up" from above..." (Heckscher, 1994:23)*

*"A bureaucratic organization is an organization that can not correct its behaviour by learning from its errors" (Crozier, 1964, p 187).*

This is precisely what happened at *Fitcorp UK* as its Formal KAM implementation came to an end with the dramatic top management intervention. The Post-Bureaucratic KAM thesis put forward in this article suggests that there is a more nuanced and gradual way of handling KAM implementations, which could be used to avoid unhelpful bureaucratic build-up. This path forward can be found by 1.) increasing managerial awareness and understanding of the Post-Bureaucratic KAM thesis, 2.) initiating continuous managerial self-monitoring and vigilance against creeping bureaucratic tendencies, and 3.) carefully balancing Formal and Post-Bureaucratic KAM practices in the implementation of KAM. For example, we argue that many of the problems observed at *Fitcorp UK* could have been avoided had the top management team recognized the importance of continuously maintaining a balance between Formal and Post-Bureaucratic KAM practices. This could have allowed for more timely and smaller scale corrective actions to be taken, hence avoiding the drastic top management decision to entirely abandon the Formal KAM program.

In addition, a Post-Bureaucratic KAM practice may be a spontaneous result of a failed formal KAM programme, as was the situation in our study of *Fitcorp UK*. Also, similarly this new understanding of Post-Bureaucratic KAM can be used as a progressive path forward, if an organization has already failed in its implementation of a Formal KAM program.

## Conclusions

Our study has sought to address the dual research questions of how and why the formalization of KAM programmes and practices can hinder effective KAM implementation in some situations and (2.) how the problems of KAM formalization can be overcome in real life marketing management practices?

In addressing these questions, we have identified and theorized a new trajectory of KAM research: namely the Post-Bureaucratic turn in KAM. Whilst some early signs of this post-bureaucratic turn are observable in the KAM literature (Spekman and Johnston, 1986; Pardo et al., 1995; Workman et al., 2002; Homburg et al., 2003; Jones et al., 2005; Wengler et al., 2006), the overall significance of this new line of enquiry has not been previously recognized. This new understanding was inductively stimulated by an in-depth ethnographic investigation into a ‘live’ major KAM implementation, that afforded a deep understanding of KAM implementation; one which allowed us to address the central “how” and “why” questions.

This contribution draws intellectual insights from a parallel Post-Bureaucratic development in organization studies, signalling the importance of the Post-Bureaucratic turn also in KAM. The Post-Bureaucratic KAM thesis or argument addresses the limitations of formal KAM programmes; how and why formal KAM programmes may have the unintended consequence of creeping organizational bureaucracy; a tendency which may in turn hinder the efficiency of KAM. The Post-Bureaucratic KAM objective is to facilitate KAM by mitigating the adverse effects of formalization and “bureaucratic creep”. The Post-Bureaucratic thesis thus reverses the underlying ordering principle of KAM, which has traditionally guided the implementation of KAM programmes. Overall,

our findings suggest the importance of a balanced approach combining aspects of both Formal and Post-Bureaucratic KAM. In addition, we have identified how Formal KAM programmes may be used as facilitators of organizational learning. In this regard, we identified the possibility of abandoning a Formal KAM program, once key organizational learning objectives have been achieved.

#### *Limitations and directions for future research*

In this article we have identified and conceptualized a new line of enquiry in KAM, which can be used to guide future KAM research. In particular, further investigation is required regarding the ways in which KAM implementation can become reflexive; vigilant for the signs of creeping bureaucracy. In addition, there is little knowledge regarding the ways in which KAM programmes take corrective action to avoid implementation failure. Secondly, we have identified the importance of ethnographic investigation of real life KAM implementation; an approach which has not been traditionally used in KAM research. Whilst ethnography is always time-consuming, we argue for its importance in future KAM research. It allows us to further deepen our understanding of real-life implementation challenges. Thirdly, whilst our use of ethnography provided a rich understanding of an organization implementing KAM, we also acknowledge the methodological weakness of drawing our empirical inspiration from just one organization. This implies the need for larger scale empirical research.

In this study our contribution has been to demonstrate the importance of Post-Bureaucratic thinking in KAM research and practice. We hope that this theorizing will contribute to improving real-life KAM practices by reducing implementation failures of

formal KAM programmes. In addition, we hope that our theorizing will encourage other researchers to deploy the Post-Bureaucratic KAM thesis in their investigations, and to also apply a similar Post-Bureaucratic line of argument in other central areas of industrial marketing management.

## References

- Abratt, R., & Kelly, P.M. (2002). Customer-supplier partnerships: perceptions of a successful key account management program. *Industrial Marketing Management*, 31 (4), 467-76.
- Anderson, J.C., Håkansson, H., & Johanson, J. (1994). Dyadic business relationships within a business network context. *Journal of Marketing*, 58 (October), 1-15.
- Adler, P.S., & Borys, B. (1996). Two Types of Bureaucracies: Enabling and Coercive. *Administrative Science Quarterly*, 41, 61-89.
- Barrett, J. (1986). Why Major Account Selling Works. *Industrial Marketing Management*, 15 (1), 63-73.
- Blau, Peter, M. (1955). *The Dynamics of Bureaucracy*. Chicago: University of Chicago Press
- Boles, J., Pilling, B.K., & Goodwyn, G.W. (1994). Revitalizing Your National Account Marketing Program. *Journal of Business and Industrial Marketing*, 9 (1), 24-33.
- Boles, J., Barksdale, H.C., & Johnson, J.T. (1996). What National Account Decision Makers Would Salespeople about Building Relationships. *Journal of Business and Industrial Marketing*, 11 (2), 6-19.
- Boles, J. Johnston, W. & Gardner, A. (1999). The Selection and Organization of National Accounts. *Journal of Business and Industrial Marketing*, 14 (4), 264-275.
- Burns, T., & Stalker, G.M. (1961). *The Management of Innovation*. London: Tavistock.
- Cardozo, R.N., Shipp, S.N., & Roering, K.J. (1987). Implementing New Business-to-Business Selling Methods. *Journal of Personal Selling & Sales Management*, 7 (2), 17-26.
- Cespedes, F.V. (1992). Sales Coordination: An Exploratory Study. *Journal of Personal Selling & Sales Management*, 12 (3), 13-29.
- Cespedes, F.V. (1995). *Concurrent marketing: integrating products, sales, and service*. Harvard Business School Press, Boston: MA.
- Cespedes, F. V., Doyle, S. X., & Freedman, R.J. (1989). Teamwork for today's selling. *Harvard Business Review*, 67 (2), 44-58.
- Cheverton, P. (2004). *Key account management: a complete action kit of tools and techniques for achieving profitable key supplier status*, (3<sup>rd</sup> Ed.), Sterling, VA: Kogan Page.

- Colletti, J.A. & Tubridy, G.S. (1987). Effective Major Account Sales Management. *Journal of Personal Selling and Sales Management*, 7 (2), 1 –10.
- Coppett, J.I. & Staples, W.A. (1983). Managing a National Account Sales Team. *Business*, 33 (April-June), 41-44.
- Cravens, D.W. (1995). The Changing Role of the Sales Force. *Marketing Management*, 4 (2), 48-57.
- Crozier, M. (1964). *The Bureaucratic Phenomena*. University of Chicago Press: Chicago.
- Day, G.S. (2000). Managing Market Relationships. *Journal of the Academy of Marketing Science*, 28 (1), 24-30.
- De Wit, B. & Meyer, R. (1999). *Strategy Synthesis: Resolving Strategy Paradoxes to Create Competitive Advantage*. Thomson: London.
- Denison, D. (1984). Bringing Corporate Culture to the Bottom Line. *Organizational Dynamics*, 13 (2), 5-22.
- Dishman, P. & Nitse, P.S. (1998). National Accounts Revisited: New Lessons from Recent Investigations. *Industrial Marketing Management*, 27 (1), 1-9.
- Dubois, A. & Gadde, L-E. (2002). Systematic Combining: An Abductive approach to Case Research. *Journal of Business Research*, 55 (7), 553-560.
- Du Gay, P. (2000). *In Praise of Bureaucracy: Weber, Organization and Ethics*. Sage: London.
- Gardner, A., Bistriz, S.J., & Klopemaker, J.E. (1998). Selling to Senior Executives: Part 2. *Marketing Management*, 7 (Fall), 18-27.
- Gigerenzer, G. & Todd, P.M. (1999). *Simple Heuristics That Make Us Smart*. Oxford University Press, New York.
- Goodsell, C.T. (2004). *The Case for Bureaucracy: A Public Administration Polemic*, (4th ed.), CQ Books, Washington, DC.
- Gosselin, D.P. & Bauwen, G.A. (1996). Strategic account management: customer value creation through customer alignment. *The Journal of Business & Industrial Marketing*, 21 (6), 376-385.
- Guenzi, P., Pardo, C., & Georges, L. (2007). Relational selling strategy and key account managers' relational behaviors: An exploratory study. *Industrial Marketing Management*, 36 (1), 121-133.

Guesalaga, R., & Johnston, W. (2010). What's next in key account management research? Building the bridge between the academic literature and the practitioners' priorities. *Industrial Marketing Management*, Article in Press.

Hammersley, M., & Atkinson, P. (2007). *Ethnography: Principles in Practice*, Routledge, Oxford.

Henneberg, S.C., Pardo, C., Mouzas, S., & Naude, P. (2009). Value dimensions and relationship postures in dyadic “Key Relationship Programmes”. *Journal of Marketing Management*, 25 (5-6): 535-550.

Heckscher, C. (1994). *Defining the Post-Bureaucratic Type*. In C. Heckscher and A. Donnellon (eds), *The Post-Bureaucratic Organization: New Perspectives on Organization Change*, Sage: London.

Hertz, S. & Vilgon, M. (2002). The ‘Burden’ of Key Customer Relationships. Work-In-Progress, 18<sup>th</sup> Annual IMP Conference, Dijon, France.

Homburg, C., Workman, J.P., Jr & Jensen, O. (2002). A configurational perspective on Key Account Management. *Journal of Marketing*, 66 (2), 38-60.

Hutt, M.D., Johnston, W.J., & Ronchetto, J.R. Jr. (1985). Selling Centers and Buying Centers: Formulating Strategic Exchange Patterns. *Journal of Personal Selling & Sales Management*, 5 (1), 33-40.

Ivens, B.S. & Pardo, C. (2007). Are Key Account Relations Different? Empirical Results on Supplier Strategies and Customer Reactions. *Industrial Marketing Management*, 36 (4), 470-482.

Jones, E.D., Chonko, A.L.B., & Cannon, J.P. (2005). Key Accounts and team selling: A review, framework, and research agenda. *Journal of Personal Selling & Sales Management*, 25 (2), 181-198.

Kallinikos, J. (2003). Work, Human Agency and Organizational Forms: An Anatomy of Fragmentation. *Organization Studies*, 24 (4), 595-618.

Kempeners, M.A. & Van der Hart, H.W. (1999). Designing Account Management Organizations. *Journal of Business & Industrial Marketing*, 14 (4), 310-327.

Klein, G. (1999). *Sources of power: How people make decisions*. The MIT Press: Cambridge, Massachusetts.

Kvale, S. (1996). *An Introduction to Qualitative Research Interviewing*. SAGE Publications, Thousand Oaks, California.

- Lambe, J.C. & Spekman, R.C. (1997). National Account Management: Large-Account Selling or Buyer-Supplier Alliance? *Journal of Personal Selling & Sales Management*, 17 (4), 61-74.
- Lawrence, P.R. & Lorsch, J.W. (1967). Differentiation and integration in complex organizations. *Administrative Science Quarterly*, 12 (1), 1-47.
- Lindblom, C. (1959). The Science of "Muddling Through. *Public Administration Review*, 19 (2), 79-88.
- Marshall, G.W., Moncrief, W.C., & Lassk, F.C. (1999). The Current State of Sales Force Activities. *Industrial Marketing Management*, 28 (1), 87-98.
- McDonald, M. (2000). Key Account Management – A Domain Review. *The Marketing Review*, 1, 15-34.
- McDonald, M., Millman, T. & Rogers, B. (1997). Key Account Management: Theory, Practice and Challenges. *Journal of Marketing Management*, 13 (8), 737-757.
- McDonald, M. & Wilson, K. (1989). Processual Issues in Key Account Management: Underpinning the Customer-Facing Organization. *Journal of Business & Industrial Marketing*, 14 (4), 328-337.
- Menon, A., Jaworski, B.J., & Kohli, A.K. (1997). Product quality: impact of interdepartmental interactions. *Journal of Academy of Marketing Science*, 25 (3), 187–200.
- Merton, R.K. (1957). Bureaucratic Structure and Personality (pp.249-260) In R.K Merton (Ed.), *Social Theory and Social Structure*. Free Press: Glencoe, IL.
- Millman, T. & Wilson, K. (1996). Developing key account management competencies. *Journal of Marketing and Applied Marketing Science*, 2 (2), 7-22.
- Montgomery, D.B. & Yip, G.S. (2000). The Challenge of Global Customer Management. *Marketing Management*, 9 (4), 22-29.
- Moon, M.A. & Armstrong, G.M. (1994). Selling Teams: A Conceptual Framework and Research Agenda. *Journal of Personal Selling & Sales Management*, 14 (1), 17-41.
- Moon, M.A. & Gupta, S.F. (1997). Examining the Formation of Selling Centers: A Conceptual Framework. *Journal of Personal Selling & Sales Management*, 17 (2), 31-41.
- Napolitano, L. (1997). Customer-Supplier Partnering: A Strategy Whose Time Has Come. *Journal of Personal Selling & Sales Management*, 17 (4), 1-8.

- Ojasalo, J. (2004). Key Network Management. *Industrial Marketing Management*, 33 (3), 195-205.
- Olson, E.M. Walker, O.C. & Ruekert, R.W. (1995). Organizing for Effective New Product Development: The Moderating Role of Product Innovativeness. *Journal of Marketing*, 59 (1), 48-62.
- Pardo, C. (1997). Key Account Management in the Business to Business Field: The Key Account's Point of View. *Journal of Personal Selling & Sales Management*, 17 (4), 17-26.
- Pardo, C. (1999). Key Account Management in the Business-to Business Field: A French Overview. *Journal of Business & Industrial Marketing*, 14 (4), 276-290.
- Pardo, C., Salle, R., & Spencer, R. (1995). The Key Accountization of the Firm - A Case Study. *Industrial Marketing Management*, 22 (2), 123-134.
- Pardo, C. Henneberg, S.C. Mouzas, S., & Naude, P. (2006). Unpicking the Meaning of Value in Key Account Management. *European Journal of Marketing*, 40 (11/12), 1360-1374.
- Pegram, R.M. (1972). Selling and Servicing the National Account, Report No. 557, New York, The Conference Board. Pelham.
- Peters, T.J., & Waterman, R.H.J. (1982). In Search of Excellence: Lessons from America's Best-Run Companies. Warner Books, New York.
- Piercy, N.F. & Lane, N. (2006). The Underlying Vulnerabilities in Key Account Management Strategies. *European Management Journal*, 24 (2/3), 151-162.
- Piercy, N.F. & Lane, N. (2006). The hidden risks in strategic account management strategy. *The Journal of Business Strategy*, 27 (1), 18-27.
- Platzer, L.C. (1984). Managing National Accounts. Report No. 850, New York, The Conference Board, Inc.
- Seabright, M. & Delacroix, J. (1996). The Minimalist Organization as a Postbureaucratic Form: The Example of Alcoholics Anonymous. *Journal of Management Inquiry*, 5 (2), 140-154.
- Sengupta, S. Krapfel, R.E. & Pusateri, M.A. (1997a). The Strategic Sales Force. *Marketing Management*, 6 (Summer), 29-34.
- Shapiro, B.P. & Moriarty, R.T. (1982). National Account Management: Emerging Insights. *Marketing Science Institute Working Paper No. 82-100*. Cambridge, MA, Marketing Science Institute.

Shapiro, B.P. & Moriarty, R.T. (1984a). Organizing the National Account Force. *Marketing Science Institute Working Paper No. 84-101*. Cambridge, MA, Marketing Science Institute.

Shapiro, B.P. & Moriarty, R.T. (1984b). Support Systems for National Account Management Programs. *Marketing Science Institute Working Paper No. 84-102*. Cambridge, MA, Marketing Science Institute.

Shapiro, B.P. & Wyman, J. (1981). New Ways to Reach Your Customers. *Harvard Business Review*, 59 (July/August), 103-110.

Simon, H.A. (1957). *Models of man: Social and rational*. Wiley, New York.

Sharma, A. (1997). Who Prefers Key Account Management Programs? An Investigation of Business Buying Behavior and Buying Firm Characteristics. *Journal of Personal Selling & Sales Management*, 17 (4), 27-39.

Sharma, A. (2006). Success factors in key accounts. *Journal of Business & Industrial Marketing*, 21 (3), 141-150.

Spekman, R.E. & Johnston, W.E. (1986). Relationship Management: Managing the Selling and the Buying Interface. *Journal of Business Research*, 14 (6), 519-531.

Stevenson, T.H. (1980). Classifying a Customer as a National Account. *Industrial Marketing Management*, 9 (2), 133-136.

Stevenson, T.H. (1981). Payoffs from National Account Management. *Industrial Marketing Management*, 10 (2), 119-124.

Styhre, A. (2008). Management Control in Bureaucratic and Postbureaucratic Organizations: A Lacanian Perspective. *Group & Organization Management*, 33 (6), 635-656.

Vanharanta M, & Easton G. (2010). Intuitive Managerial Thinking; the Use of Mental Simulations in the Industrial Marketing Context. *Industrial Marketing Management* 39, 425-436.

Weber, M. (1946). *Bureaucracy*. In H.H. Gerth and C. W. Mills (eds.), *From Max Weber: Essays in Sociology*, Oxford University Press: New York.

Weeks, W.A. & Stevens, C.G. (1997). National Account Management Sales Training and Directions for Improvement: A Focus on Skills/Abilities. *Industrial Marketing Management*, 26 (5), 423-431.

Weilbaker, D.C. & Weeks, W.A. (1997). The Evolution of National Account Management: A Literature Perspective. *Journal of Personal Selling & Sales Management*, 17 (4), 49-59.

Weitz, B.A. & Bradford, K.D. (1999). Personal Selling and Sales Management: A Relationship Marketing Perspective. *Journal of the Academy of Marketing Science*, 27 (2), 241-254.

Wengler, S. Ehret, M. & Saab, S. (2005). Implementation of Key Account Management: Who, why, and how? An exploratory study on the current implementation of Key Account Management programs. *Industrial Marketing Management*, 35 (1), 103-112.

Workman, J.P. Jr., Homburg, C. & Jensen, O. (2003). Intraorganizational Determinants of Key Account Management Effectiveness. *Journal of the Academy of Marketing Science*, 31 (1), 3-21.

Wotruba, T.R. & Castleberry, S.B. (1993). "Job Analysis and Hiring Practices for National Account Marketing Positions." *Journal of Personal Selling & Sales Management*, 13(3): 49-65.

Yip, G.S. & Madsen, T.L. (1996). "Global account management: the new frontier in relationship marketing." *International Marketing Review*, 13(3): 24-43.



