KEY ACCOUNT MANAGEMENT
Considerations, Bottlenecks, and Success Factors

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Abstract

Key account management is a tool for maintaining and improving relationships with the company's most important customers (so called « accounts » or « key accounts »). By definition, account management is the process of allocating and organizing resources to achieve optimal business with a balanced portfolio of identified accounts whose business contributes or could contribute significantly or critically to the achievement of corporate objectives, present or future (Burnett, 1994). Empirical research shows as a rule, a limited number of relationships have a profound effect on company's performance (Kalwani and Narayandas, 1995). Today, account management is a very popular tool in Dutch companies. Although the interest of companies for account management, there is little scientific research in this field. There are some (older) American research (e.g. Shapiro and Moriarty) and recent research form Verra (1994) and Pardo (e.g. 1996).

Implementing account management is difficult and a long-lasting process. It not only influences the sales organizations, but also all other functions in the organization. Account management has to be implemented in existing organizational structures and cultures with established points of view, procedures, and patterns of communication (De Roos, Sweerman and De Konig, 1990). Sometimes, the organization of account management is so difficult, that at the end it will not be implemented at all. At other hand, there are examples of companies that have succeeded in building a fairly successful account management system.

In the paper we will look for an answer on the following question: Why is it that some companies succeed in organizing successful account management, whereas other companies fail? In the paper we will identify bottlenecks and success factors in account
management. Illustrated by examples from cases studies, we will look at adequate and less adequate ways to organize account management. This will result in a framework for implementing and organizing successful account management.