Key Account Management

A UPU Guide for Practitioners

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Key Account Management

A UPU Guide for Practitioners

Marketing and Sales Capacity Building

Universal Postal Union

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The UPU's *Key Account Management Guide for Practitioners* has been prepared by the Directorate of Markets Development in collaboration with the Directorate for Development Cooperation. It is an action-oriented tool designed to help the Posts to provide greater value to their major customers.

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Project Management in 2008:

Project lead, conception, development and supervision: Mr. Alassane Guiro
Project Manager: Mr. Andrei Soudakov

Project Management in 2014:

Project lead, conception, development and supervision: Mr.Alexander Thern-Svanberg
Project Manager: Mr. Fredrick Omamo,

Consulting Team in 2008:

Mr. Alassane Guiro, Programme Manager, Research and Marketing Development, UPU
Mr. Andrei Soudakov, Expert, Market Research and Documentation Centre, UPU
Mr. Derek Osborn, Consultant

Consulting Team in 2014:

Mr. Mansour Gueye, Coordinator Africa and LDCs, DCDEV Directorate, UPU
Ms. Awa Cisse, Coordinator Africa Region, EMS Unit, UPU
Mr. Abdeladim El Massoudi, Key Account Director, Morocco Post

Artwork: Mr. Remy Pedretti

For information about this publication, write to:
Universal Postal Union
International Bureau
P.O. Box 312
3000 BERNE 15
SWITZERLAND

Fax: + 41 31 350 31 10
E-mail: customers@upu.int
Internet: www.upu.int

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FOREWORD

One of the keys to success for Posts in today's ever-changing world is understanding the needs of customers and, most importantly, responding effectively to those needs. In the postal industry, ensuring long-term success in the business market requires Posts to develop their organizational and marketing capacity and ensure that they have the skills needed to better serve this customer base, and the largest customers in particular.

It is essential that designated operators adopt a key account management orientation and make strategically important customers an absolute priority.

Serving the very few, yet very demanding, customers that account for the majority of revenue is a challenge that calls for a sense of initiative and accountability, solid know-how, and a high level of consistency within the organization and its processes. Building capacity in the areas of marketing, sales, customer service and customer relations is therefore a necessary investment to ensure lasting success.

The UPU's International Bureau has launched a capacity development programme to support Posts in their efforts to meet the needs and expectations of their customers. The Key Account Management Guide for Practitioners, supplemented by an instructional PowerPoint presentation and a CD-ROM toolkit, has been developed by the UPU to help Posts in the learning process, whatever their level of skill and experience. A training module on key account management is also available on Trainpost, the UPU's online training platform.

Knowing that the performance of your Post is crucial to the business success of your customers, I encourage you to use this guide to your best advantage. I firmly believe that the successful implementation of key account management will help you to grow your business.

For Posts with limited resources, particularly those in the least developed countries, the UPU will provide assistance through its dedicated activities in the area of develop¬ment cooperation. The introduction, development and roll-out of key account management will be supported within the framework of the UPU's regional approach and programmes.

Bishar A. HUSSEIN
Director General

SECTION 1 INTRODUCTION

1.1 What is the objective of this guide?

Objective: This is intended to be a comprehensive, easy-to-use and practical guide to key account management.

It aims to bring together in one guide a step-by-step approach, underpinned with a basic foundation of knowledge, alongside key segments of information and practical tools for data capturing and analysis, information aggregation and operating templates and display forms, key process planning and execution, performance monitoring and evaluation.

It is also part of Objective 3 of the Bucharest World Postal Strategy under the heading "Markets and responding to customer needs".

The following paragraphs from that objective help to provide the context for this Guide and this initiative.

"In most countries, the postal sector remains dominated by a vertically integrated state monopoly still widely protected from competition. But this monopoly is being worn away and, although increased competition is taking the most lucrative market segments away from the Post in many countries, the fact remains that in the letter-post market associated with the domestic universal service, Posts are, in principle, facing no direct competition from other postal operators."

"The postal market has become more complex. Today's customers are better informed and more demanding, are using more technologically sophisticated tools, and are looking for "value" and quality when they choose services and suppliers. A basic universal service is not, and will no longer be, enough to meet the increasingly varied demands for customized products and services of high quality, offered at reasonable cost, accessible, diversified and characterized by added value".

1.2 Who is it for?

It is mainly intended for postal operators and postal companies who recognise that they need to develop their business in a more commercial and customer focused way, in order to modernise and professionalise their business approach and face competition. It does not assume any prior knowledge of this topic. In particular, this guide should be useful to:

- Business leaders who are establishing key account management as part of their overall business strategy
- Project managers who are tasked with introducing key account management
- Marketing and sales directors who will be managing the KAMs on a day to day basis
- Key account managers

1.3 How can it be used?

This guide is structured in a modular way that allows individual topics to be explained and understood, ultimately linking together to provide a complete practical guide.

The best way to use this guide is to:

- define a KAM strategy for your company
- identify key people to take that strategy forward

- devise a practical project plan with goals, milestones and deliverables
- then follow the practical steps in this guide to work through it, section by section, using the charts, forms and tools to assist you

SECTION 2 KEY ACCOUNT MANAGEMENT

2.1 What is key account management?

Definition: Key account management is a strategic business approach with the objective of ensuring long-term and sustainable business partnerships with strategically important customers.

This means that it is not just a better way to sell business or manage accounts. Nor is it just a way to organise your sales activity or categorise your accounts. Nor is it just about 'looking after' your most important customers. It has to be an integral part of your overall business strategy (this will be discussed at the end of this section, part 5).

So let's take the definition and understand what it means.

Key account means that, although all customers are important, there are some which can be identified as being particularly important and this is usually (but not only) because of the level of revenue or profitability of business that they have with you. They could also be important to you for other strategic reasons (this will be discussed in part 2).

Key account management – key accounts have to be managed carefully in order to keep and develop these important relationships. This includes ensuring good communication flows, strong understanding of customer needs, quick response to any problems and efficient business processes for dealing with all aspects of the account (e.g. revenue collection, contract management, operational specifications for collections and delivery and contact points).

Strategic business approach – normally key account management would be so crucial to the future sustainability of the business that it would be part of the core business strategy which should be embraced by the whole executive board, across all the functions and not just the responsibility of marketing and sales. Many businesses will ensure that the whole Board takes collective responsibility for key account management, ensuring that it features as a regular item at their Board meetings and a crucial part of their business strategy and business strategy planning process.

Objective of ensuring long-term and sustainable business partnerships – there is a very strong day-to-day value in managing key accounts to ensure that the important business with them is operating as well as possible; however, the main objective of key account management is for the longer-term, where the day-to-day relationship is seen in the context of a stronger business partnership for the future. The term "partnership" implies that both sides have made certain commitments and have been prepared to invest in building that relationship for their longer-term mutual benefit.

Strategically important customers – this emphasises the point that, whilst most customers who will be account managed are likely to be of the highest value to you (in terms of revenue and profitability), could also be here other factors involved, such as potential for growth in sales, critically important with regard to competitors, a new sector, an important market opinion influencer or a volume.

2.2 Your key accounts – how do you select them?

First of all, given the amount of attention and care you will be giving to your selected key accounts, you will not want to have too many. It is better to have fewer, and manage them well, than to have more and manage them badly. The final number you select should be driven partly by the selection process, but also by your capability to manage those relationships. Typically, the number of key accounts that it is possible to manage well is likely to be between 5 and 20 with an upper limit of around 50. So you need to select them carefully.

As a starting point, you will probably be focussing on your large major business customers (but don't ignore the possibility of a few important smaller-scale customers who have some other strategic value).

2.2.1 High revenue

It is likely that around 80% of your revenue comes from around 20% of your business customers (Pareto principle).

So a good way to begin would be to rank your customers in terms of their revenue – this is a very tangible measure of their value to you. Be careful of only considering revenue (or volume of business) as this may not equate to profitability. Where possible, using internal accounting information, calculate the profitability of their account. This is discussed in more detail in part 4. In the final column it should be possible to categorise each customer for potential revenue growth using categories such as high, medium, low or negative where it is likely that the account value will reduce in the future. Also consider status, which can play an important role for suppliers of Government organisations in developing countries (see Form 14).

High Revenue Customer Ranking Chart (top ten)

Customer name	Revenue (per year)	Profitability	Potential Growth

2.2.2 High strategic value

The customers you select on this basis will be chosen because:

- they may be important for the future growth and investment (even if they are not big customers of yours yet), maybe with opportunities for product or service development
- their account is vulnerable to competitors and keeping their account is important to you strategically
- they may be significant because of their value as opinion formers, decision makers with influence, leaders in their sector
- they could be closely aligned to your own business strategically (mailing houses or bulk mail companies may come into this category)
- they may be significant and influential industry players or stakeholders in your country or region
- they could be politically important (e.g. government ministries)
- they could be part of your future strategic business plan (to build your presence in an industry sector or geographic region)

Then list them below according to the reason for their strategic value and rank them according to whether their strategic value is high, medium or low. In the final column, list any other 'X factors' that are critical to the value of this customer. This X factor should look at any other relevant issues. For example, it could include the attitude of the customer to you as a supplier, it could reflect the quality of the current relationship you have with that customer at senior levels, they might be an important champion for you or a very difficult customer – both of these are relevant matters. If necessary, use additional charts to review existing customers against these criteria.

High Strategic Value Ranking Chart (top ten)

Customer name	Strategic value (description)	High/Med/Low	X Factor

The process for deciding on which customers to select will be discussed in Section 3 but it should be noted that ultimately the decision will not be on precise and calculated ranking formulae, but an informed decision taken by the Board based on all the relevant factors.

EXERCISE: Use these two ranking charts to make a first list of the customers you would put in these categories. Then compare your ideas with your colleagues.

2.3 Your key accounts - why would you want to manage them?

Key accounts are chosen because they are a key to the future of your business. For this reason it is worth investing time and effort managing these accounts in order to secure your long-term profitability through developing a strong business partnership.

You would manage your key accounts so that you can:

- maintain existing contracts and build new revenue and sales opportunities
- build loyalty and ensure that they feel valued as customers
- understand their business needs and future strategy so that you can work out how to meet their future needs

You can keep regular communication channels open so that you can:

- listen to them frequently
- be aware of any possible difficulties and deal with them before they develop
- hear about competitor activity
- provide opportunities to stimulate new ideas for better services and innovation
- look at ways to reduce operational costs through better collaboration and coordination

2.4 Your key accounts - what are the opportunities?

To:

- increase sales and grow the account
- build customer loyalty and move towards partnership
- better understand your customer's current and future needs
- foster innovation and find new ways to serve customers
- reduce your sales cost
- help you to plan better for the future, knowing your customer's future needs
- give you greater insight and knowledge of your market
- understand competitor activity and develop customer retention strategies
- build your brand and market position as a professional customer-oriented organisation, using the latest and best commercial practice.

2.5 Your key accounts – how do they fit with your overall business strategy?

Your key accounts should be an important and integral part of your overall business strategy and play a very significant part in your business strategy planning process. By definition, your key account plans, collectively, will be the core of your overall business marketing strategy and plan. So they need to be totally aligned and, more than that, the overall business strategy will determine the goals and direction for your key accounts; but they, in turn, will help shape and be shaped by the overall business strategy. Your key accounts go straight to the 'beating heart' of your business – their inextricable connection, mutual influence and inter-dependency, cannot be overstated.

EXERCISE: Reflect on sections 3, 4 and 5 and under each element, brainstorm what this would mean in your business with your customers, what you would do and how you would achieve it.

2.6 Developing key account management – are you ready for it?

One final but very important consideration, before we embark on the part of the guide devoted to setting up key account management, is to acknowledge that all businesses may not immediately be ready to do this. So certain things may need to happen first. So here is a checklist for you to assess the readiness for your organisation to embark on key account management.

CHECKLIST:

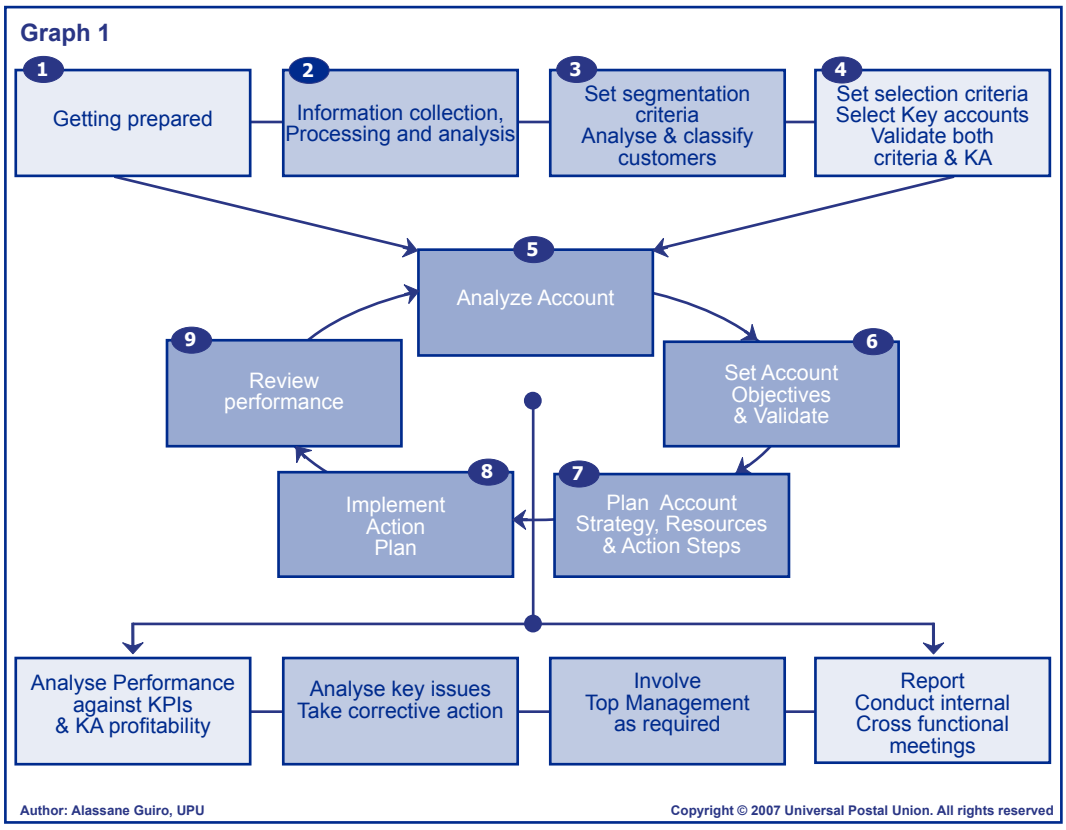
1. Do you have a clearly defined business strategy?
2. Do you know who your most important customers are?
3. Do you have support and commitment from top level (Board, PMG, CEO) to set up key account management?
4. Do you have existing sales and marketing functions?
5. Do you have clearly defined products and services?
6. Do you have any kind of cost analysis (eg activity-based costing, cost accounting) in place within your business that enables you to understand on which products and services you make a profit or loss?
7. Do you measure your quality of service?
8. Do you know which markets you are competing in and how much they are worth?
9. Do you know who your main competitors are?

EXERCISE: If the answer to any of these questions on the checklist is no, then you may need to do some more preliminary work in order to prepare to set up Key Account Management.

SECTION 3 SETTING UP KEY ACCOUNT MANAGEMENT

3.1 Setting up the process

The Key Account Planning Process is a logical sequence and a series of activities leading to the setting of KA objectives and the formulation of a Strategy and action plans for achieving them; Graph 1 below highlights the activities referred to.



3.2 Setting out your goals

In the first section, which is an overview of Key Account Management, you will have seen that establishing key accounts and managing them is very important to ensuring the future of sustainability of your business and should be an integral part of your overall business strategy.

You should only embark on this course of action when:

- you have been through the check list at the end of the last section
- you have confirmed that you have the highest level of support in your organisation
- it is part of your business strategy.

Only then will you be able to commit the time, commitment and resources which this kind of project clearly needs. By definition, you are making a big investment in your customers and, as with any other major investment, you need to be very clear about your goals and objectives at the outset.

EXERCISE: What are the 4 main reasons that you are embarking on introducing Key Account Management?

Main reasons for introducing Key Account Management

1
2
3
4

For each of those reasons, set yourself some clear goals for the outcome you want to achieve.

Reasons for doing it	Goals or outcomes you want to achieve
1	
2	
3	
4	

For each of these goals, prepare some **SMART** objectives
S - specific, significant, stretching
M - measurable, meaningful, motivational
A - agreed upon, attainable, achievable, acceptable, action-oriented
R - realistic, relevant, reasonable, rewarding, results-oriented
T - time-based, timely, tangible, traceable.

If you do this, then you significantly improve your chances of a successful outcome!
Your final objective sheet for your project could be made up something like this:

Project KAM Objectives

What will you do? (project element)	How will you measure it?	Who will be responsible for it?	When will it be done by?	What resources do you need?

3.3 Mapping your market

Before you start identifying and selecting your customers, it is worth doing some basic market analysis. You have to know which markets you are operating in and how that market works.

Another extremely important point is to define the markets you are in by the customer need it meets, rather than by the product or service you supply.

Traditionally, in the postal industry we have done the opposite and defined our markets by our products – e.g.: the letter market or the parcel market. Instead we should look at what it does for our customers – e.g. communications, messaging, fulfilment, delivery and so on.

Another challenge for the postal operator is the number of different markets in which it has traditionally operated. For example, in addition to messaging and communications with letters and parcels, Posts have been in the retail sector (with post offices), in the financial or banking sector (with postal banks, remittance and other financial products and services), in the logistics sector (with transport and distribution services), and in the Express and Courier sector (with premium products). In fact, it is possible to find that Posts have been into most markets somewhere or another!

Which markets are you in and how much do you know about them?

EXERCISE: First identify the main markets in which you participate

Your main products and services	Markets you are in (defined by customer needs that are met)

EXERCISE: Next identify what you know about those markets, especially, think carefully about who your main competitors are in each market.

List the markets that you are in (from table above)	Your main competitors in that market	Approximate size of that market in value*	Is that market growing, stagnant or reducing?*

* Once you have identified the markets, you may be able to find out information about the size and value of the market, along with any trends, from market analysts and reports, as well as companies that specialise in researching this kind of data. This can often be found quite easily via the Internet.

Competitors and market share – a further piece of market research that will be quite valuable would be to look more closely at your competitors and at their turnover in relation to products and services where they compete with you. Then you may be able to estimate your position in the market related to your market share.

EXERCISE: Competitors and market share (this exercise should be done for each market that you are planning to operate and compete in)

Competitor's name	Competitor Value	Total Value of the market	% Market Share

It should be noted that you may need to do this kind of analysis for each segment of a market, if the market is very large and can be sub-defined into definable segments.

The exercises above are intended to assist you to start to think about your business in terms of customer's needs, the markets in which they look for products and services to meet those needs and the different options that they find there. This approach to mapping your market is a good discipline to help you think with more focus about the markets you are in.

Few companies or businesses can afford to operate in many markets with many different products and services, which has often been the position of postal departments in the past. These exercises may also help you to decide where to focus your energy and strategy, but also where you may want to reconsider your market presence if it is not strategically important to you, may not be profitable and may just be sapping effort from other segments that you need to concentrate on.

Most importantly this section should have helped you to identify competitors, market share, growth and trends which will be extremely useful to you when it comes to selecting your key accounts in the next section.

3.4 Segmenting your customers and identifying your key accounts

Having confirmed your goals and mapped your market, you are now in a much better position to decide on which customers should be key account managed.

In Section 2, you will have listed your top customers, by revenue and by strategic value. Revisit those lists in the light of your market mapping in the previous section.

It should now be possible to draw up a new 'short-list' for discussion based on all the criteria available. As was stressed in Section 2, the eventual list should not be determined by a formula but by an informed discussion with all the top functional leaders from across your business, preferably at a special session convened in order to do this. You will probably want a Board decision to endorse the final list.

In view of this, there is no prescriptive way of determining which customers should be in your eventual 'short-list'. However, you would normally include your top 'revenue' customers and your top 'strategic value' customers. Then you may want to cross-check that you have at least one customer from each of the key market segments in which you operate. Also, from the last section, look at where you have a strong or weak position in the market, with high or low market share.

It may also be important to identify:

- where a market is growing
- where you have opportunities to grow your market share
- where you need to protect your high market share
- where you have a customer with growth potential for you
- where competitors are strong
- where competitors are weak

The result of presenting your 'short-list' and having an informed discussion should be a list of between 5 and 20 customers, whose accounts have been identified as key to your business strategy. Once these have been agreed, this completes one of the most important stages in your preparation. Probably the next most important decision is: who will be your key account managers? To make that decision, you need to know what skills are required. This is covered in the next section.

3.5 Essential skills for key account managers

In order to decide what skills are needed we should first review the role of a key account manager.

From your business perspective, the role of the key account manager is to:

- be the main communications link with that customer on all issues – this could include contract management, invoicing, operational problems, complaints, quality of service.
- be the person who gets alongside that customer to better understand their longer term strategy and business needs, as well as the market and competitive environment.
- be able to sell them the kind of products and services that will help them to achieve their own business objectives (and, at the same time, grow your own sales)
- act as a 'consultant' to them as part of this business partner relationship which you will be building with them. You are an informed supplier and the 'consultancy' you provide via your KAM will reinforce your value and credibility in this relationship (it may also stretch in remit beyond your immediate product/service range).
- be in a good position to identify new opportunities and new business challenges, directly or indirectly with the key account they are managing. In fact, there could be best practice and innovative ideas that come from the customer, if the KAM is skilful enough to recognise them and the opportunity for your business arising from them.

Whilst from your customer's perspective, the role of the key account manager is to:

- be the 'one-stop' contact for all communications to your business, so that they do not have to search around your business for the relevant person to speak with about any issue.
- be the person who really understands their needs and is their spokesman in your business, to ensure that they get the service and support they deserve as a key account customer.
- be the one who can help them to build the business partner relationship and help them to relate to the important people and decision makers in your business.
- be the person who really understands their business and its current and future needs so as to help them know what further opportunities may be there for them, using the capabilities of your business.
- be the person who exclusively focuses on them and values them as an important customer.

EXERCISE: Now please look at the template in the appendix, entitled "Key Roles of the Key Account Manager". Reflect on this template, along with the details in the lists above, then complete the following to check your progress and understanding of what is required and what you need to do to get going with Key Account Management.

Action	Details	Completed by whom	Completed when	Further action or comments
Review the key roles of the KAM				
Agree a role specification for the KAM				
Agree a role specification for the KAM support team				
Agree a timetable for recruiting, selecting and training the KAM and KAM team				

From the work you have done on the various roles of the key account manager, it can be seen that these roles are far reaching, highly demanding and, to be done well, need very capable people with a wide range of skills and competencies.

In particular, key skills and qualities would normally include:

- ability to develop and build strong business and personal relationships
- excellent communication, listening and presenting skills
- excellent understanding of your markets, products and services
- familiarity with business strategy and wider industry knowledge
- consultancy skills and ability to sell
- diplomacy, negotiation, problem solving and conflict resolution skills
- planning and organisational skills
- ability to be proactive and seek out opportunities
- ability to operate as a team player and, independently, to be focused, have broad vision and be tenacious and flexible.

Selecting your key account managers.

EXERCISE: Use the descriptions of the role of a KAM and the list of key skills and qualities to draw up a Job Description and a Person Specification that could be used to recruit and/or select people for the role.

Job Description

Main Requirements of the KAM role	Objectives (and measures if appropriate)

Person Specification

Key skills and abilities required	More detailed description

When selecting your Key Account Managers, it is important to remember that you may not be able to find people inside (or outside) your organisation with all the key skills and abilities, but you will need to determine which ones are critical to the success of the role and rank the criteria for selection accordingly. Equally, some may have the skills and abilities but not the business or industry knowledge and vice versa. It is likely that training will be required to bring all your KAMs to the necessary level of skill, knowledge and understanding of the role in order for them to be effective. Training, together with other important organisational issues, are covered in the next section.

3.6 Training, systems, organisation and resources

Training

When planning to set up key account management for your business, training will be an essential part of the preparation. All those involved in the project, including support staff, should have sufficient training so that they can understand:

- why you are setting up Key Account Management (use material from Section 2)
- how it fits with your overall business strategy (use material from Section 2)
- what Key Account Management involves (systems and procedures – see remainder of this manual)
- what their specific role will entail and how it fits in the whole process

In particular, when you have selected your Key Account Managers and their support staff, they will need comprehensive induction training to ensure you start with a skilled and motivated team who have a consistent understanding of their role and the objectives of the programme.

It is likely that if you are setting up Key Account Management in your business for the first time, in which case you may not have a reservoir of people with the necessary skills ready to take on the role of Key Account Manager. It may be that you have had some managers working in sales, marketing or customer care who have some customer orientation and experience of understanding customer needs. You may also have capable managers in strategy, finance or operations, who have some of the relevant personal skills and qualities, such as ability to build relationships, knowledge of the industry or consultancy skills. Equally, when you select your KAMs there may be some who are experienced KAMs in other industry sectors who need to learn more about the postal industry. In each of these examples, the individuals may start with some relevant knowledge and skill but need to be trained in other areas.

For this reason, when you design the training programme, it is likely to be most effective if it is modular, so that it can be tailored to the specific needs of individuals with different backgrounds and experience. Alternatively, it may also be considered necessary to give everyone the same training. This way, relevant previous experience and knowledge can be cross-fertilised and, at the end of the training, everyone will have been through all the topics, to the same level.

EXERCISE: There are many different ways to deliver training and many different learning styles. Giving attention to this and to the group you need to train, use the following exercise to begin to develop the modules you need.

Training topics / Key skills and knowledge	Specific goals and objectives of training – e.g. desired levels of competency	Ideas on range of training delivery possibilities including classroom, action learning and books
Ability to develop and build strong business and personal relationships		
Communication, listening and presenting skills		
Understanding your markets, products and services		
Familiarity with business strategy and wider industry knowledge		
Consultancy skills and ability to sell		
Diplomacy, negotiation, problem solving and conflict resolution skills		
Planning and organisational skills		

Systems

In the next section, we describe the account management, account planning and other systems that you will want to have in place in order to maintain and develop key account management effectively. There are also a number of forms and tools given as examples. Crucial to the success of key account management is the ability and discipline of keeping a customer database of all the key accounts updated and accurate. All these support systems will need to have well-designed and well-documented processes and procedures.

An essential part of the planning and preparation is therefore to design and develop these systems, tailored to your particular needs. Please refer to Section 4 and the forms and tools which come with this guide and then build your own system, with the aim of keeping it simple and robust.

Organisation

As Key Account Management will need to be integrated into your business as a regular activity, so it will need to fit into the right place in the organisation. However, as most restructuring or organisation tends to be disruptive and distracting, it is recommended that this is introduced with a lot of thought and the least amount of disruption.

Key Account Management organizational structuring

Decide the scope of the KAM ambition Expected outcomes and programme	Identify and Nominate the Champion to lead the structure and advise on Additional KAM members	Design the structure to manage KAM functions. Define its position in the organisation and align success factors
Ambition should be in line with resources and capacity Upgrading of ambition can be incremental Upgrading of ambition must be achieved along with upgrading of capacity and capabilities	The ambition and scope will impact on the size of the KAM Team People-fit in terms of qualifications and required skills is crucial Right-shape the key roles and match key accounts with KA Managers	Incremental strengthening of the structure may be implemented Position in the Organisation should assure that full potential of KAM is attainable Reporting line should be short enough to assure proaction and quick reaction to key account requirements

Author: Alassane Guiro, UPU

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As described in Section 2, all members of the Board, across all functions, should have a close interest in, and be directly supporting, KAM activity. For this reason, it could be argued that the Director of Key Accounts, to whom the KAMs would report, should be on the Board or report direct to the Board. This would reflect the business-wide significance of the key accounts to the future profitability of the business. It would ensure that issues arising from key account customers were discussed at Board meetings and in strategy sessions.

However, when the business organisation may only have one director with responsibility for market or customer issues – e.g. Director of Sales and Marketing – then it is also quite logical for the KAMs to report in directly to this role. An important consideration should be to look at the positions of the KAMs from their customer's perspective. If they are being used as a single point of contact to your business (which is a strength of the KAM role) then they will need to be in a strong enough position in the organisation to resolve problems with invoicing or finance, or operations and interface processes.

Whichever option is chosen, it is essential that the KAM role and activity is championed or led from the very top of the organisation. It will not work if it is buried down a number of layers in the bureaucracy.

EXERCISE: Reflect on your current organisation chart and then look at different options for positioning the KAMs and their support team. List the advantages and disadvantages of each option, then make a recommendation, which should be agreed by the CEO, PMG, DG or Board as appropriate. This is one of the first things that will need to be agreed (see the chronological checklist in Appendix B).

Resources

This section is largely common sense but, nevertheless, the obvious things often get forgotten! In order to be successful, the implementation of KAM activity for your business will require the allocation of a budget and appropriate resources. Below you will see a short check-list. It is worth doing a quick exercise at the outset to estimate the likely level of budget required, along with other resources (such as office accommodation) so that this can all be agreed at the planning stage.

EXERCISE: Use the following table to estimate the likely budget required

Initial Planning and Set Up (once only project costs)

Budget Item	What is involved	Details	Estimate for budget
Project Team	e.g. staff costs		
Recruiting KAMs	e.g. recruitment costs		
Training KAMs	e.g. training costs		
Setting up support systems	e.g. IT development costs		
KAM support staff	e.g. recruitment and training		
Internal communications	e.g. internal briefings and newsletters		
Accommodation and related non-staff items	e.g. office space for project team, computers, phones		
Other (please specify)			
Other (please specify)			
Other (please specify)			

Ongoing Costs for Maintaining KAM activity

Budget Item	What is involved	Details	Estimate for budget
KAM Team	Salaries and expenses		
KAM support staff	Salaries and expenses		
Accommodation and related non-staff items	Office facilities, computers, phones, transport		
Maintaining support systems	Computers, paper, printing		
Other (please specify)			
Other (please specify)			
Other (please specify)			

The final part of this section will deal with the project element of getting started, and it should be noted that in the project implementation review (PIR) these one-off and ongoing costs should be reviewed against the current and future revenues of Key Account Customers, to ensure that there is a good return on the investment.

3.7 Getting started

Any major change of this sort in an organisation, particularly introducing something new such as Key Account Management, should be properly project managed. At the beginning of this Section 3 we considered what the overall project goals and objectives should be. It is worth remembering the other disciplines of project management, as so many initiatives fail when this is done badly.

EXERCISE: Before getting started, use the following check list to ensure your project has the best chance of being successful.

Project Item	Details	By whom and by when
Agreed the Project Initiation Document (PID)	This should include the agreed specification, purpose and goals of the project, with SMART objectives and timelines	
Appoint project team	Project manager and others as required	
Appoint project board	Key stakeholders for the project to agree the PID and project plan	
Project planning and design	First task of the Project Manager	
Communications plan	Key part of the project plan	
Project undertaken in defined stages	Regular reviews of the project should take place at the end of each key stage with the project board	
Project completion	This should coincide with launch and implementation	
Project implementation review (PIR)	This review should take place normally within 6 months of project completion	

SECTION 4 KEY ACCOUNT MANAGEMENT – KEEPING IT GOING EFFECTIVELY

4.1 Developing key account plans

It should be clear from the preceding sections that Key Account Management does not just mean regularly visiting customers that are important to your business. To be effective it needs to be planned and managed in a structured way, in order to meet the desired goals and outcomes.

The Key Account Plan is probably the most important tool with which to build and maintain effective key account management that works efficiently and delivers added value to your business.

The Key Account plan will be the foundation and reference point for all activity in relation to that key account, whether it be for strategy development, communications, new sales or monitoring day to day activities in relation to the account.

The first step is to draw up the Key Account Development Plan. This is usually done on an annual basis and sets the direction for the rest of the key account plan. This is where the main objectives, strategies and tactics for each particular key account are set out. It would normally be written by the Key Account Manager, in line with the business strategy and the strategic marketing plan.

EXERCISE: Here is an example of a format – design and develop your own Key Account Development Plans for each of your key accounts using your own standard format (adapt the one below to create your own template).

Key Account Manager …….…… Key Account Name …….....…… Year 20.....

Objectives	Strategies	Tactics Q1	Tactics Q2	Tactics Q3	Tactics Q4

Apart from the development plan, what else should be included in your Key Account Plan?

The Key Account Plan will incorporate all the relevant information on that account. Some of this is information about the customer which can be gathered at the outset, including details of the customer, their contracts and your account team. The rest of it includes all the information about any activity between your business and that key account customer. This includes comprehensive records of visits, calls, customer complaints, sales of products and services, customer satisfaction.

It is essential, if key account management is to be maintained and work effectively, for all the information in the key account plan to be regularly checked and updated, particularly after any new contact or visit.

Apart from the Key Account Development Plan, mentioned above, the remaining information can be documented on Forms 1 – 10 which are in the appendix to this guide.

The Key Account Plan, for each key account, should then comprise a folder* with the following plans, forms and information.

Key Account Plan Contents

Key Account Development Plan (see above)
Key Account team details (Form 7)
Product/services used by the Key Account Customer (Form 9)
Key Account Customer Information and Data (Forms 1 with 11, 2, 3, 4)
Key Account Visit Plan/Record and Call Record (Forms 5 and 6)
Key Account Customer Complaint Record (Form 8)
Key Account Customer Satisfaction Record (Forms 10 and 12)

From this basic list of contents you could use, develop or adapt the following template or model for a comprehensive Key Account Plan.

Key Account Plan – Template

Item	Details to include
Master sheet/Folder cover/Opening page	**Name of customer/account** and main contact details and contact relationship manager **Name of KAM** and person who compiled the plan (if not the KAM) **Notes** (with annotated dates) **Dates:** When completed When approved When last modified or updated
Executive Summary of Main Elements	Compiled by the KAM and should include reasons for choosing this account to be a key one, your strategy with the customer and their main business strategy, current status of relationship and forecast outlook for business and sales revenue, crucially also levels of **current and planned profitability**, together with estimate of potential growth and opportunities – as well as listing risks to the account.
Key Account Development Plan	Structured plan that should include **objectives, strategies and tactics** for the year and for the longer term relationship (see example above) **Name** of person who compiled the Plan **Dates:** When completed When approved When last modified or updated
Key Account Team Details	This should include title, function, contact details for KAM and supporting team, with their direct responsibilities for this account, listed clearly. E.g. who is overall account manager, who is responsible for customer contact, operational issues, quality issues, financial (contract/invoicing) issues etc. This would also list team improvement plans, specifying responsibility. (See Form 7)

* **Note:** this could be a physical folder with paper plans and forms or it could be an electronic folder on the support system, which forms the KAM database and to which the KAMs and their support teams would have easy access to use and update.

Key Account Plan – Template (continuation)

Item	Details to include
Key Account Customer Details	This should include all relevant data about the key account customer. In particular, this would include main customer/ company details and contact information (identifying their CEO, key contact people and an organisation chart to aid quick understanding of how their company is classified, organised and affiliated (See Forms 1, 2 and 11). Also, main products and services currently used by the customer, with details of contracts, trends and forecast or targeted projections for future business (See Forms 3 and 9). There may need to be a section highlighting the 'history' of this customer's relationship with your business and previous sales activity where it is relevant to the current relationship.
Key Account Activity Details	This section should include detailed and accurate information on all contacts with the customer, including visits and calls, whether made by your business or by them. This is the 'heartbeat' of the business relationship and it is vital that all details are noted in this section, so that all concerned can be fully informed about any issue involving your relationship with the key account customer. It would also include planned or scheduled visits and calls (See Forms 5 and 6).
Key Account Market Environment	This should include all known information about your competitors and the segment of the market in which the key account customer operates. Any information about your competitors and critical success factors for your customer is helpful in order for you to review and determine the strength of your position with this customer (See Form 4).
Key Account Customer Complaints	This should include all information about any customer complaints, including what occurred, what action was taken and how it was resolved, including who was involved in the case and any lessons learnt or recommendations to improve things for the future (See Form 8).
Key Account Customer Satisfaction	This should include a record of the level of customer satisfaction the key account customer has with your level of service, responsiveness and so on. You can adapt the UPU Model customer satisfaction survey to be used on a regular basis with this customer. It is particularly important to follow up any items they have concerns about and to analyse trends and maybe to set targets for achievements and improvement (See Forms 10 and 12).
Action and Review	This final section should include a comprehensive key action plan, summarising for each quarter (or review period) who is due to take what action, by when, and with what objective. There should also be a review of each action and activity to note any lessons learnt or improvement opportunities. Ideally, the review should be undertaken by someone from outside the KAM team.

It would also be useful to incorporate into the Key Account Plan a system that helps you to identify the latest updates or revisions to the information so that the recent activity can be quickly identified. This is easier with a software computerised version, but files and tabs can be used for a paper version to achieve the same effect.

4.2 Essential information gathering and monitoring

4.2.1 Gathering and monitoring information for the key account plan

To collect the relevant information in order to compile the Key Account Plan, it will be necessary to work closely with the key account customer and all those who have been dealing with them until now. The activity of gathering the information, in itself, will provide an opportunity to demonstrate to the key account customer that they are valued and that the more your business understands their needs, the better placed you will be to serve them in the future. This includes everything from comprehensive contact details, understanding their organisation structure and decision-making processes, to understanding their main concerns and future plans. Form 4 is the most difficult to compile and your key account customer may be reluctant to give you details of your competitors who are also serving them, so this information may need to be collected anecdotally or through other means.

It is vital that visit and call record forms are used on every occasion that there is contact with the key account customer. This is to ensure that a note is taken and follow-up action detailed so that anyone dealing with the account can know what the latest issues and concerns are, as well as what has been done about it. If this is done well, then the customer will feel valued and be impressed by the fact that you are up to date with their issues. Of course, they will also want to know the outcome of anything they have raised, so be sure to communicate any results of your follow-up activity. Another function of the visit plan is to ensure you have clear objectives for each visit before you set out, so that you can get the most out of each customer contact.

The key account plan should also directly address two key drivers of the account relationship from your business's and the customer's perspective.

4.2.2 Profitability

Probably the key driver for your business will be the continued, and, hopefully, improving profitability of the sales, revenue and contracts with this key account. For this to be understood, it is clearly beneficial for you to have cost accounting in place so that the true cost of servicing this customer can be set against the revenue and the profitability established. It is not enough to know that this customer sends large volumes of mail through your system, if the pricing and costs do not enable you to make a profit.

Although cost accounting is a major topic in itself, there is further specific advice and guidance on it in the following sub-section.

The role of Cost accounting in Key account management

A Cost accounting

Perceptions	Your key accounts are those you consider to be contributing the most important portion of your revenues. Notwithstanding the fact that they are important and are to be treated as such, is this enough for them to be considered the best customers?
Challenges	Are the biggest contributors to your revenue the biggest contributors to your profitability? What do they cost you to serve them? Are they responsible for a disproportionate share of the costs? How can you turn profit-eaters into profitable customers?

Assessing the true picture	You need adequate costing (if not exact) to determine the products, markets and customers that are profitable and their true contribution to your profitability.
Value of cost accounting	To make sure you are not flying blind, you need to understand what costs are associated with your customers.

B Pricing and discounting

Negotiating price and service terms	Your key accounts know they are very important to you and that you cannot afford losing them, as this may have a "severe" impact on your bottom line. Under such pressure, the easy-going solution adopted by many managers to secure the business of the customer at any cost is to grant price incentives (including special discounts) and agreeing costly, and sometimes unsustainable, service levels.
Looking at key account profitability	Discounts and other price incentives add to the costs of serving the customer. The costs for such resources should be understood, and the return on investment analyzed. Impacts on both volumes and revenue and profitability are to be understood, measured and monitored.
Knowing your margins	Knowing your costs will enable you to know your margins and can help your organization to review both service and price options and provide support for key account management, e.g: ● negotiate prices and service agreements with your key customers, armed with adequate information on how costs and profitability will be impacted ● manage your key account portfolio with full knowledge of how losing or winning a key account will impact on profitability

C Account profitability analysis

Customer income statement (template to be adapted)

Customer Name: .....
Year .....

	Mail	Parcels	EMS	Total
Sales				
Cost of sales				
Gross margin				
Other costs				
Operating income				

(See also the Excel Profitability Assessment Tool on the CD)

D Business Intelligence - Your business information system for KAM:

● *You have a cost accounting system and processes in place*

Your finance and accounts people will provide you with suitable information. Furthermore, working with other departments (such as finance, accounting, operations), as you endeavor to consolidate your business intelligence for key account management, you will be equipped in the long run to target internal processes that generate the most costs.

- *You have no cost accounting system and processes in place*

You are not yet well equipped for genuine key account management. However, you can still strive for account profitability analysis by using information provided by your finance and accounts department(s). The aggregate profit margin calculated from the statement of accounts of your organization is a ratio you can use to appreciate profitability of your account.

You need to have a cost accounting system and processes in place to be able to apply genuine key account management.

Your organization should take advantage of the UPU cost accounting capacity development project and activities. The tool developed to this end will provide you with cost information by products, by regions and by directions (domestic and international flows).

E Exercises

EXERCISE:

1 Consider what financial information you have about the detailed activity of your business – do you know how much it costs to collect, sort, transport and deliver mail?

2 Do you know how much it costs to service this key account customer, not only operationally (with collections and deliveries) but also per item handled? Do you know how much it costs to service them with your internal overheads, as well as customer-facing services and KAM activity?

3 Do you know how profitable they are now and how profitable they could become?

Targets for profitability are likely to be one of the main key high level targets for the KAM and set out in the Key Account Development Plan objectives.

4.2.3 Quality of service and customer responsiveness

However, in order that the key account partnership is maintained as a “win-win” relationship, it is important to ensure that the customer is getting a good deal as well. This should include better communications and direct contact over any issue, quick resolution of problems and reliable quality of service. Where possible, you should be able to measure and provide quality of service information for products sent by that customer. UPU have a number of major initiatives to support independent and external measuring and monitoring of quality of service, along with the IT systems to analyse and present the information in a timely and useful fashion.

4.2.4 Customer satisfaction

Finally, the forms which deal with customer complaints and customer satisfaction will be important for at least two reasons. Customers always like the opportunity to complain, compliment or comment on the service they have received and if they don’t volunteer this information, then you definitely need to know. Hearing nothing from them does not necessarily mean that they are satisfied. Once you know of any issues, then this information is very useful as it could lead you to investigate problems occurring in your operation, misunderstandings or opportunities for innovation and improvement to your products and services. This links in closely with the UPU model customer service charter on customer relations, particularly with respect to the model customer satisfaction survey and complaints handling procedures. The model customer satisfaction survey should be adaptable for each key account customer and the results measured regularly, monitored closely, trends analysed and targets set.

4.3 Measuring effectiveness

One of the objectives which will have been set at the outset will have been to do with the criteria for success and the anticipated positive impact on sales or revenue growth and other benefits as a result of introducing key account management. However, key account handling should also bring discernible benefits to the business relationship with that key account customer.

In order to measure the effectiveness of the KAM process it is necessary to use both 'hard' and 'soft' measures.

It is suggested that you do not attempt to use too many measures as it also takes time and costs money to compile measures. It would probably be sufficient, at least as an indicator, to have just two or three measures from your business and another two or three from the customer perspective, which could be measured and monitored on a regular basis. In most cases, quarterly would probably be sufficient.

EXERCISE: Identify some important measures by which you would be able to determine the effectiveness of the KAM process, bearing in mind the relative ease/difficulty and cost of capturing the relevant measures.

Effectiveness of KAM process from your business perspective

Measure to be used	How data is gathered or collected	Who will do this and how often will it be reviewed
e.g. sales revenue to be increased	From invoices and accounts	Monthly/quarterly by KAM

Effectiveness of KAM process from your key account customer's perspective

Measure to be used	How data is gathered or collected	Who will do this and how often will it be reviewed
e.g. Key account customer number of complaints	e.g. From visit and call records	KAM and KAM team

4.4 Getting and using feedback to improve the process

As with all business initiatives, it is always helpful to reflect on how it is working, use all available feedback mechanisms and look for any ideas for innovation or improvement.

Form 7 is designed so that it can be used by the members of the Key Account Management team to identify obstacles that arise (from whatever source) and use these as the basis for finding different options and improvement opportunities, which can be recorded and shared with others to maximise the benefits. This is a useful way to ensure improvement is a regular part of team activity and focus.

In addition, it is recommended that, at least once a year, formal feedback is requested on the KAM process from all those who are involved with it, including the key account customers, the key account team and the others in your business who have direct dealings with the KAM or the KAM team. This feedback could be structured in a way that enables you to look for continuous improvements and respond to issues that have arisen, and have not already been taken care of.

EXERCISE: Construct a KAM feedback exercise based on the following format and then decide how and when to use it.

Topic on which feed-back is requested	Your feedback on this topic (this should include positive and negative feedback and you could choose to have a rating system)	Particular incidents or examples that are worth mentioning	Ideas or suggestions about how to change things in the future to improve the process
Key Account Plan			
Relationship with Key Account Customer			
Communications with Key account customer			
Quality and accuracy of information and data			
Timeliness of response to issues			

You may choose to use this in the format of a survey or questionnaire, but it may give you more valuable information if it is used as the basis for an informal discussion or interview, either internally with the KAM team, or as part of a regular visit to the Key Account Customer. In both cases, it would be a good idea to advise them about the request for feedback and the topics, so that they can reflect on their experience and prepare in advance. The quality of feedback is likely to be better in this case.

4.5 Building sustainable relationships with customers for the long term

This is the ultimate goal of key account management and the main value of investing so much time and effort. It should be one of the main objectives for the KAM to secure a long-term business partner relationship that can endure short-term difficulties, e.g. price rises, operational problems, industrial disputes, quality failures and so on.

For this reason, best practice would suggest that you maintain consistency in your allocation of key account managers to customers (and also their teams). It is not a good idea to keep changing them, as it takes time to familiarise a new KAM with a customer, and still more time to then build a working relationship (quite apart from the disruption during handover, the training costs and in the meantime the cost of lost opportunities). Allocating well trained and highly regarded professional experts also sends a message to the key account customer that they are valued by your business.

All relationships need to be continuously worked on in order to flourish and grow, and it is the same with the KAM role. This is why the Key Account Plan is such an important framework to underpin all the KAM activity and ensure that the investment and effort is well directed at supporting both the customer in their business and you in your business strategy.

4.6 Dealing with problems that might arise

As in all aspects of business life, problems may arise in any area at any time. The purpose of establishing a key account manager to look after a stable relationship is partly so that difficulties can be jointly met and overcome without risking or jeopardising the business relationship, as would happen if special attention was not being paid.

However, when difficulties or obstacles do arise, they should be welcomed, as they provide the opportunity to find soluions, avoid further escalation and maybe pave the way for innovative solutions that may have a wider application.

It is always useful to reflect carefully when difficulties arise, and Form 13 provides a format for assessing the situation, identifying reasons for the occurrence and then finding solutions. It is also recommended that once a resolution has been put in place, an *After Action Review* (AAR) is initiated in order to learn any lessons from the experience. This form deals largely with internal obstacles which could be operational, misunderstandings, relationship difficulties, hiccups in the service provided, and so on. For complete business continuity planning, it is also recommended that KAMs periodically brainstorm ways to respond to external emergencies. These could include power failures, weather emergencies such as flooding, transport difficulties caused by road, rail or airport closures and other externally-caused problems. A good KAM will have a full range of contingency plans to put in place, should the need arise.

APPENDIX – USEFUL INFORMATION AND TEMPLATES

A Glossary of key terms

Key accounts	These are the customer accounts that are selected as being key to the future of your business and sustaining your long-term profitability.
Key account customers	These are the customers that are most important to you because their accounts are key.
Key account managers (KAMs)	These are the people who you select and train to manage and oversee the important customer relationships with the key accounts – they may look after one or more key account.
Key account plans	This is the definitive planning document that incorporates all the relevant information about the key account and the plans for developing it, along with the record of all activity associated with that account – it is pivotal to the whole key account relationship and KAM process.
Key account profitability	This is the bottom line measure of the value of the key account – it should be distinguished from all other measures, including volume and revenue, as it is the best guide to the real value of the account to your business.
Key account planning	This is the process by which the key account plan is compiled. Through it all the essential information about the key account customer is gathered, and the way in which the customer will be handled is decided, along with objectives for the account.
Key account selection	This is the process by which key accounts are selected from the various market segments and the many customer accounts that you currently have.
Quality of Service	This is the key measure of the service you are providing to the customer and it should be independently measured and monitored, allowing you to provide regular updates to the customer and identify problems as they arise.
Customer satisfaction	This is the key measure of whether the key account customer is happy with the service you are providing.
Cost Accounting	This enables you to identify the true cost of servicing the account and the profitability of their business volumes for you.
Strategic business partnership	This is what you should be aiming to achieve through the KAM process, so that you can work with the key account customer at a strategic level, to align your business strategies wherever possible, so that you can help them achieve their strategic business objectives.
Relationship management	This describes the key role of the KAM, which is to maintain and improve the business relationship between your business and the key account customer.

B Chronological checklist

Item	Reviewed by (person and date)	Comments and actions	Completed by (person and date)
Read the KAM Guide			
Discuss options at Board			
Engage Board support			
Agree project objectives and budget for resources			
Identify and appoint project team to implement KAM process			
Commence communications exercise			
Select accounts to be key account managed			
Check cost accounting is in place for contracts with these key accounts			
Check quality of service measuring and monitoring is in place for these key accounts			
Check fit with overall business strategy			
Get Board agreement to target key accounts			
Recruit and select KAMs			
Recruit and select KAM teams			
Train KAMs and KAM teams, as appropriate and as required to meet necessary skills			
KAMs to develop key account plans for each key account			
Launch KAM process with key account managers and within your business			
Put regular review process in place			
PIR for implementation project			
Review of KAM process to identify achievement against objectives and opportunities for improvement			

C Reading list

1 Key Account Manager's Pocketbook by Roger E Jones
by Roger E Jones, ISBN 978-1-870471-42-8, Easy to use, quick guide for a Key Account manager

2 Key Account Management – The Definitive Guide
by Malcolm McDonald and Diana Woodburn, Second Edition, published 2007, ISBN 0-7506-6246-8 - A detailed and comprehensive guide to Key Account management

3 Key Account Management – a complete action kit of tools & techniques for achieving profitable key supplier status *(By Peter Cheverton)*

4 Key Account Management and Planning – The Comprehensive Handbook for Managing your Company's Most Important Asset *(by Noel Capon)*

D Tools, forms and templates*

Form 1 Customer ID Data Sheet – Customer Details (Section 4, Para 1)

Form 2 Customer ID Data Sheet – Company Affiliation (Section 4, Para 1)

Form 3 Customer ID Data Sheet – Existing Contracts (Section 4, Para 1)

Form 4 Customer ID Data Sheet – Competitors (Section 4, Para 1)

Form 5 Customer visit Plan and Record (Section 4, Para 1)

Form 6 Call Record (Section 4, Para 1)

Form 7 Members of the Key Account Team (Section 4, Para 1)

Form 8 Customer Complaint Record (Section 4, Para 1)

Form 9 Product/Services used by the Customer (Section 4, Para 1)

Form 10 Customer Satisfaction Record (Section 4, Para 1)

Form 11 Industry Classification (Section 4, Para 1)

Form 12 Model Customer Satisfaction Survey (Section 4, Para 1)

Form 13 SWOT – Internal situation assessment (Section 4, Para 6)

Form 14 Key Account Description and Selection Criteria (Section 2, Para 2.1)

Template 1 Key roles of the Key Account Manager (Section 3, Para 4)

Template 2 Key Account Master Plan (Section 4, Para 1)

Excel Profitability Assessment Tool (Section 4, Para 2.2 of the Guide and Excel tool on the CD)

* to be used or adapted.

Customer ID Data Sheet

Form 1

1 Customer/Company Details

Customer name:	
Customer legal form:	
Industry classification:	
Company size (number of employees):	
Annual turnover (Year n-1):	
Company business focus (key activity areas):	

2 General Contact Details

Telephones:	
Fax:	
Email:	
Website:	
Headquarters location and postal address (standardized address format with postal code):	

3 CEO contact details

Family name:	
First name:	
Telephones:	
Fax:	
Email:	

4 Key Contacts for Account Management

Key contacts at the customer's business

5 Customer priority service attributes & requirements

Most important expectations

Account name/Data processing code	Account Manager	Zone/Territory

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Customer ID Data Sheet

Form 2

1 Company Affiliation

☐ Stand-alone company ☐ Parent company of a Group ☐ Affiliate/Subsidiary of a Group

2 National Stand-Alone Company: Details of Local Branches of the Company

No	Name	Location/City	Email	Website	Address (including postal code)
1					
2					
3					
4					
5					

3 National Company - Parent Company of a Group: Details of Member Companies of a Group

No	Name	Location/City	Email	Website	Address (including postal code)
1					
2					
3					
4					
5					

4 Member of a Group with Parent Company Outside the Country: Details of the Parent Company of the Group

No	Name	Location/City	Email	Website	Address (including postal code)

5 Member of a Group with Parent Company outside the Country: List of Affiliates/Member Companies of the Group

No	Name	Location/City	Email	Website	Address (including postal code)
1					
2					
3					
4					
5					

Account name/Data processing code ..... Account Manager ..... Zone/Territory .....

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Customer ID Data Sheet

Form 3

1 Existing Contracts

Reference of Contracts/Data Processing Code	Starting Date	Expiry Date

2 Products/Services Targeted in the Contract

Product Code	Products and Services	Forecast Volumes	Expected Value	Destinations	Frequency of use	Pricing (Contractual Price)	Others
	☐ Letters						
	☐ Packets						
	☐ Parcels						
	☐ EMS						
	☐ Express						
	☐ Direct Mail						
	☐ Hybrid Mail						
	☐ Payments						
	☐ ...						
	☐ ...						

Account name/Data processing code ..... Account Manager ..... Zone/Territory .....

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Customer ID Data Sheet

Form 4

1 Competitors Serving the Customer

Name	Products	Volume	Pricing	Others

Account name/Data processing code

Account Manager

Zone/Territory

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Customer Visit Plan and Record

Form 5

1 Main Reason for the Visit

☐ Initiative of the Account Manager ☐ Reaction to the demand by the Customer

Date of the visit:	
Time:	
Length:	

2 Objectives of the Visit

Priority objectives:

Other objectives:

3 Report of the Visit/Meeting

People met:

Key points discussed:

Key remarks by customer:

Objectives achieved:

Objectives not achieved:

Account Manager conclusion of the visit/meeting:

Account name/Data processing code ..... Account Manager ..... Zone/Territory .....

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Customer Visit Plan and Record

4 Follow up Actions

Planned Actions	Period and Deadline

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Call Record

Form 6

1 Call Origin

☐ Call initiated by the Account Manager ☐ Call from the Customer

Name of the contact person at the customer's business:	
Date:	
Time:	

2 Object of the Call

Object:

3 Record of the Discussion

Object:

4 Follow-up Actions

Planned Actions	Period and Deadline

Account name/Data processing code ..... Account Manager ..... Zone/Territory .....

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Members of the Key Account Team

Form 7

1 Team Members

Name	Current Functions (e.g. in the Post)	Primary Role	Observations

2 Team Performance Improvement Plan

Obstacles to overcome	Recommended Actions	Deadline	Responsible

3 Other Observations and Recommendations

Object:

Account name/Data processing code ..... Account Manager ..... Zone/Territory .....

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Customer Complaint Record

Form 8

1 Complaint Details

Date of event occurrence	Date of complaint filing	Complaint summary (What is the complaint about?)	Actions taken	Date of case closure

2 Team Remarks by the Account Manager

People involved in the case at the customer's business	

People involved in the case at the Post	

Problems encountered while solving the case:

Is the customer satisfied? ☐ Fully ☐ Partly ☐ No

Conclusion and Recommendations:

Account name/Data processing code ..... Account Manager ..... Zone/Territory .....

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Product/Services used by the Customer

Form 9

1 Post

Product Code	Products and Services	Sent		Received		Observations
		Volume	Turnover	Volume	Turnover	
	☐ Letters					
	☐ Packets					
	☐ Parcels					
	☐ EMS					
	☐ Express					
	☐ Direct Mail					
	☐ Hybrid Mail					
	☐ Payments					
	☐ ...					
	☐ ...					

2 Competition

Product Code	Name of Prod-ucts/Services	Sent		Received		Observations
		Volume	Turnover	Volume	Turnover	

3 Comments and Recommendations by Account Manager

Comments and Recommendations:

Account name/Data processing code | Account Manager | Zone/Territory

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Customer Satisfaction Record

Form 10

1 Assessment

Benefits Sought by the Customer	Level of Priority
☐ Price	
☐ Product Alignment to Needs	
☐ Customer Responsiveness	
☐ Quality of Service	
☐ Valued Partnership with the Service Supplier	
☐ Consulting Services by the Supplier	
☐ Access to Services	
☐ ...	
☐ ...	
☐ ...	

2 Key Outcomes of Customer Satisfaction Survey

Overall Satisfaction:

Specific Issues:

3 Comments and Recommendations by Account Manager

Comments and Recommendations:

Account name/Data processing code ..... Account Manager ..... Zone/Territory .....

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Industry Classification (see Form 1)

1 Industry Classes (to be adapted to local situation)

A	Agriculture, Forestry & Fishing	**B**	Mining	**C**	Manufacturing	**D**	Electricity, Gas & Water Supply
E	Construction	**F**	Wholesale Trade	**G**	Retail Trade	**H**	Accommodation, Cafes & Restaurants
I	Transport & Storage	**J**	Communication Services	**K**	Finance, Bank & Insurance	**L**	Property & Business Services
M	Government & Administration	**N**	Education	**O**	Health & Community Services	**P**	Cultural & Recreational Services
Q	Non-Governmental Organizations (NGOs)	**R**	Other services				

2 Comments by the Account Management Team

Comments:

Account name/Data processing code

Account Manager

Zone/Territory

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Customer Satisfaction Record (to be adapted)

Form 12

Customer Satisfaction Survey

Introduction

1 To assist the Post Office in understanding how its customers feel about the service it provides, we would like to get some feedback.

2 The attached survey questionnaire is designed to get responses to important questions. It would be appreciated if you could take a little time to complete the questionnaire and return it in the enclosed addressed envelope to:

.....

.....

.....

3 Responses will remain confidential. However, to help us understand how broad sections of our customer base feel about the Post Office, could you please indicate with an "x" whether you are a:

- ☐ Business customer
- ☐ Private resident customer

4 Answering the questionnaire can be done by entering an "x" in the appropriate box or column.

5 Thank you for taking the time to assist us with your valuable feedback.

Section 1: Delivery of mail

1 In general terms please rate your postal service regarding mail delivery

	Excellent	Very good	Good	Fair	Poor	Don't know
a Delivery of mail to the correct address	☐	☐	☐	☐	☐	☐
b Delivery of mail in good condition	☐	☐	☐	☐	☐	☐
c Mail delivered about the same time each day	☐	☐	☐	☐	☐	☐
d Delivery officer professional and courteous	☐	☐	☐	☐	☐	☐
e Mail was delivered safely (i.e. not opened or tampered with)	☐	☐	☐	☐	☐	☐
f Overall quality of mail delivery service	☐	☐	☐	☐	☐	☐

2 In the past 30 days have you had any of the following experiences?

	Not at all	Once	2–3 times	More than 3 times	Don't know
a Received mail intended for a different address	☐	☐	☐	☐	☐
b Received mail addressed to a previous resident at your address when it should have been delivered to another address (i.e., the previous resident had advised the Post Office of a change of address)	☐	☐	☐	☐	☐
c Received damaged mail	☐	☐	☐	☐	☐
d Received mail late	☐	☐	☐	☐	☐
e Mail left in an unsafe place	☐	☐	☐	☐	☐

Account name/Data processing code	Account Manager	Zone/Territory
.....	.....	.....

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Customer Satisfaction Record (to be adapted)

Form 12

Section 2: Counter services provided at post offices

3 During the past 30 days how many times did you visit a post office?

- a Not at all ☐
- b 1–2 times ☐
- c 3–5 times ☐
- d More than 5 times ☐

If you placed an "x" alongside "Not at all", please proceed to Question 7.

4 In your most recent visit to a post office:

		Yes	No	Don't know
a	Did the clerk greet you pleasantly?	☐	☐	☐
b	Did the clerk ask you questions to find out what you needed?	☐	☐	☐
c	Was the clerk able to clearly explain the mailing, financial or other services/products you needed?	☐	☐	☐
d	Did the clerk suggest additional services or products?	☐	☐	☐
e	If the answer to (d) is "Yes", was the suggestion helpful?	☐	☐	☐
f	Was the clerk able to complete the transaction quickly (in your opinion)?	☐	☐	☐
g	Did the clerk thank you for your business?	☐	☐	☐

5 In your most recent visit to a post office, how long did you wait in a queue before being attended to? (i.e. how long did you have to wait for service)

- a No wait at all ☐
- b Less than one minute ☐
- c One to three minutes ☐
- d Four to five minutes ☐
- e Six to ten minutes ☐
- f More than ten minutes ☐
- g Don't know/can't recall ☐

6 How do you rate the service you received at the post office?

		Excellent	Good	Satisfactory	Poor
a	Speed of service	☐	☐	☐	☐
b	Knowledge and professionalism of staff	☐	☐	☐	☐
c	Attitude of staff	☐	☐	☐	☐
d	Range of products and services (i.e., do these meet your needs e.g., additional products such as availability of envelopes, adhesive tape, etc.)	☐	☐	☐	☐
e	Convenience of location of post office	☐	☐	☐	☐
f	Hours of opening	☐	☐	☐	☐
g	Office appearance and environment	☐	☐	☐	☐
h	Overall rating for services at post offices	☐	☐	☐	☐

Customer Satisfaction Record (to be adapted)

Section 3: Contacting the post office

7 Have you contacted the Post Office in the last 30 days with an inquiry or complaint? If so, was the inquiry or complaint in relation to:

- a Service or product inquiry ☐
- b Mail delivered to the wrong address ☐
- c Price inquiry ☐
- d Damaged mail ☐
- e Expected mail did not arrive ☐
- f Invoice/payment query ☐
- g Other – please specify below ☐

8 How did you contact the Post Office?

- a Telephone ☐
- b Fax ☐
- c Letter ☐
- d E-mail/Internet ☐
- e Through a Customer Relationship Manager ☐
- f Personal visit ☐

9 Your experience when making your inquiry or complaint:

		Yes	No
a	Was it easy to contact the right person?	☐	☐
b	Was the telephone (or other form of communication) answered promptly?	☐	☐
c	Were you offered clear and helpful advice?	☐	☐
d	Were staff well informed and knowledgeable?	☐	☐
e	Was the inquiry or complaint resolved quickly and to your satisfaction?	☐	☐
	How long did it take for the inquiry/complaint to be resolved?	☐	☐
f	Was there any special department (e.g., Customer Service) for responding to your customer inquiries/complaints?	☐	☐

10 Overall, how would you rate your contact with the Post Office regarding your inquiry or complaint?

- a Excellent ☐
- b Good ☐
- c Satisfactory ☐
- d Poor ☐

Section 4: General questions (primarily for business customers)

The questions in Section 4 are primarily intended for **business customers**, but may be answered by residential customers.

Customer Satisfaction Record (to be adapted)

11 What are the main services you use?

a Letters ☐
b Parcels ☐
c Registered ☐
d Express delivery (e.g. EMS, courier) ☐
e Other – please specify below ☐

12 How do you rate the following aspects of business mail services?

	Excellent	Good	Satisfactory	Poor
a Speed of service	☐	☐	☐	☐
b Knowledge and professionalism of staff	☐	☐	☐	☐
c Ease of doing business with the Post Office	☐	☐	☐	☐
d Range of products and services	☐	☐	☐	☐
e Commitment of the Post Office to providing customer-focussed service	☐	☐	☐	☐

13 Based on experiences in the last 30 days, provide a rating for:

	Excellent	Good	Satisfactory	Poor	Don't know
a Ease of buying stamps	☐	☐	☐	☐	☐
b Ease of mailing letters	☐	☐	☐	☐	☐
c Ease of mailing packages	☐	☐	☐	☐	☐
d Ease of deciding which mailing options to use	☐	☐	☐	☐	☐
e Convenience of location of post office or mailing facilities	☐	☐	☐	☐	☐
f Level of confidence that mail sent is received by the addressee	☐	☐	☐	☐	☐

14 How do you perceive postal rates in terms of cost?

a Very Low ☐
b Low ☐
c Moderate ☐
d High ☐
e Very high ☐

15 Value for postage: do you feel that the value for money for rates paid for postage is:

a Very Low ☐
b Low ☐
c Moderate ☐
d High ☐
e Very high ☐

Customer Satisfaction Record (to be adapted)

16 How would you rate the:

	Excellent	Good	Satisfactory	Poor	Don't know
availability of information about postal services and products	☐	☐	☐	☐	☐
availability of materials to help you make large lodgements of mail e.g., mail bags, containers, etc.	☐	☐	☐	☐	☐
speed and general efficiency of accepting and handling large lodgements of mail	☐	☐	☐	☐	☐
the promptness and efficiency of the Post Office in collecting mail from you (as opposed to you bringing the mail to a post office)	☐	☐	☐	☐	☐
the accuracy and promptness of postage invoices from the Post Office	☐	☐	☐	☐	☐

17 If you are using the Post Office for Express products that have a track-and-trace service (e.g., EMS), how would you rate the:

	Excellent	Good	Satisfactory	Poor	Don't know
efficiency of the track-and-trace system in terms of being able to get information promptly on the whereabouts of your item	☐	☐	☐	☐	☐
value for money paid for the service	☐	☐	☐	☐	☐
value for money paid for the service in comparison to other service providers (e.g., DHL, TNT, FedEx)	☐	☐	☐	☐	☐
speed and general efficiency of processing of compensation matters	☐	☐	☐	☐	☐
the efficiency and professionalism of the staff who handle service inquiries (e.g., in a Call Centre or Customer Service Centre)	☐	☐	☐	☐	☐

18 How would you rate the security of postal items?

a Excellent ☐
b Good ☐
c Satisfactory ☐
d Poor ☐
e Don't Know ☐

19 To what extent do you feel that the Post Office pays attention to customer requirements?

a At all times ☐
b Most of the time ☐
c Sometimes ☐
d Never ☐
e Don't know ☐

20 How do you rate other service providers (e.g. TNT, DHL, FedEx, UPS, etc.) in relation to the Post Office? Do you feel that other service providers are:

Customer Satisfaction Record (to be adapted)

a Much worse than the Post Office ☐
b Worse than the Post Office ☐
c About the same as the Post Office ☐
d Better than the Post Office ☐
e Much better than the Post Office ☐

Please give one or two brief reasons for your reply:

.....

.....

.....

21 Compared to other companies you visit and do business with (e.g. banks, department stores, shops in general), how does the Post Office compare for:

	Much better	A little better	About the same	Worse	Much worse	Don't know
a Time spent waiting to be served	☐	☐	☐	☐	☐	☐
b Courteous and helpful employees	☐	☐	☐	☐	☐	☐
c Value for price	☐	☐	☐	☐	☐	☐
d Easy to use and conveniently located	☐	☐	☐	☐	☐	☐
e Services and products meet your needs	☐	☐	☐	☐	☐	☐
f Reliable service	☐	☐	☐	☐	☐	☐
g Secure and trusted	☐	☐	☐	☐	☐	☐
h Overall performance	☐	☐	☐	☐	☐	☐

22 Based on your recent experience with the Post Office how do you rate the service provided by the Post Office?

a Excellent ☐
b Good ☐
c Satisfactory ☐
d Poor ☐

23 Compared to 12 months ago, is the Post Office service now:

a Much better ☐
b Better ☐
c About the same ☐
d Worse ☐
e Much worse ☐

24 Would you recommend the Post Office services to a business associate or friend?

a Yes ☐
b No ☐

25 Do you have any suggestions on how the Post Office can improve its products and services?

.....

.....

.....

.....

SWOT – Internal situation assessment

Form 13

1 Internal obstacles to successful KAM

Major obstacles	Reasons	Solutions/Actions (What?...How?…When?…Who?)

2 Comments and suggestions

Comments and suggestions:

Account name/Data processing code ..... Account Manager ..... Zone/Territory .....

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Key Account Description and Selection Criteria

Form 14

1 Key Account Description

	Criteria						
	Volume	Turnover	Profitability	Potential	Strategic value	Status	Others (to be specified)
Description							
Rating							
Comments							

Account name/Data processing code ..... Account Manager ..... Zone/Territory .....

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Role of the Key Account Manager

Template 1

Key roles (to be adapted to local situation)

A Assure sound and actionable knowledge of the account

- Select key accounts and have account portfolio approved by the Management
- Understand and document the dynamics of the target business
- Develop knowledge of the accounts
- Analyze how the account positions your Post as a supplier
- Forecast and assess the account's volume of business and profit potential
- Use analysis techniques (e.g. gap analysis) to capture where the customer wants to be or could be

B Relationship Management

- Understand the organisational structure of key accounts
- Identify cross selling opportunities
- Network within the account
- Plan and organize productive meetings with key accounts

C Formulate Account Strategy

- Create the account plans for each account (objectives, strategy, funding, action plans)
- Compile and analyze data
- Establish responsibilities, set measurable objectives, define and secure resources
- Develop or advise on competitive pricing strategies
- Set metrics for and measure account profitability

D Manage the Account

- Producing effective proposals
- Set specific goals and objectives for each visit/meeting with the customer
- Plan and give effective presentations ensuring all meetings are productive
- Negotiate and agree with key accounts on terms that are satisfactory for both parties
- Plan and manage account reviews

E Add Value to the Account

- Developing the contact networks
- Networking across the customer organisation to maintain preferred supplier status for your Post
- Create or ensure creation of value-added marketing, PR and communication programmes for major accounts

F Support the account management process – Ensure transversal coordination

- Ensure all support functions, processes and people involved play a coherent role in servicing key accounts
- Identify and overcome internal barriers that prevent total quality support
- Build, manage and coach successful account teams

G Assure and monitor customer satisfaction by methods including surveys

H Build KAM metrics and information systems (including IT-driven tools)

I Update decision makers (CEO, Board, etc.) on performance and act as an advisor for business strategy development and implementation

Key account managers act as the corporate principal points of contact for key customers. They represent their company to their accounts, and bear the responsibility of representing those accounts within their own company. The WIN-WIN approach they are to apply determines how the supplier Post can help the customer grow its business and grow the business of the Post in return. To this end, the KAM must be empowered to be able to integrate different internal resources located in different divisions, departments, or even subsidiaries of the Post to serve the key customer.

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Key Account Master Plan

Template 2

Master sheet

Information to include

Name of customer/account and main contact details and contact relationship manager
Name of KAM and person who compiled the plan (if not the KAM)
Notes (with annotated dates)
Dates: When completed - When approved - When last modified or updated

Executive Summary

Information to include

Compiled by the KAM, this should include reasons for choosing this account to be a key one, your strategy with the customer and their main business strategy, current status of relationship and forecast outlook for business and sales revenue, also, crucially, levels of **current and planned profitability**, together with estimate of potential growth and opportunities – as well as listing risks and critical success factors to the account.

Key Account Development Plan

Information to include

Structured plan that should include **objectives, strategies and tactics** for the year and for the longer-term relationship (see example in the guide)
Name of person who compiled the Plan
Dates: When completed - When approved - When last modified or updated

Key Account Team Details

Information to include

This should include title, function, contact details for KAM and supporting team, with their direct responsibilities for this account, listed clearly, e.g. who is overall account manager, who is responsible for customer contact, operational issues, quality issues, financial (contract/invoicing) issues, etc. This would also list team improvement plans, specifying responsibility. (See Form 7).

Key Account Customer Details

Information to include

This should include all relevant data about the key account customer. In particular this would include main customer/ company details and contact information (identifying their CEO, key contact people and an organisation chart to aid quick understanding of how their company is classified, organised and affiliated (See Forms 1, 2 and 11), also main products and services currently used by the customer, with details of contracts, trends and forecast or targeted projections for future business. (See Forms 3 and 9). There may need to be a section highlighting the 'history' of this customer's relationship with your business and previous sales activity where it is relevant to the current relationship.

Key Account Activity Details

Information to include

This section should include detailed and accurate information on all contacts with the customer, including visits and calls, whether made by your business or by them. This is the 'heartbeat' of the business relationship and it is vital that all details are noted in this section, so that all concerned can be fully informed about any issue involving your relationship with the key account customer. It would also include planned or scheduled visits and calls. (See Forms 5 and 6).

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Key Account Master Plan (continuation)

Key Account Market Environment

Information to include

This should include all known information about your competitors and the segment of the market in which the key account customer operates. Any information about your competitors and critical success factors for your customer is helpful in order for you to review and determine the strength of your position with this customer. (See Form 4).

Key Account Customer Complaints

Information to include

This should include all information about any customer complaints, including what occurred, what action was taken and how it was resolved, including who was involved in the case and any lessons learnt or recommendations to improve things for the future. (See Form 8).

Key Account Customer Satisfaction

Information to include

This should include a record of the level of customer satisfaction the key account customer has with your level of service, responsiveness and so on. You can adapt the UPU model customer satisfaction survey to be used on a regular basis with this customer. It is particularly important to follow up any items they have concerns about and to analyse trends and maybe set targets for achievement and improvement. (See Forms 10 and 12).

Action and Review

Information to include

This final section should include a comprehensive key action plan, summarizing for each quarter (or review period) what action is due to be taken, by when, and with what objective.

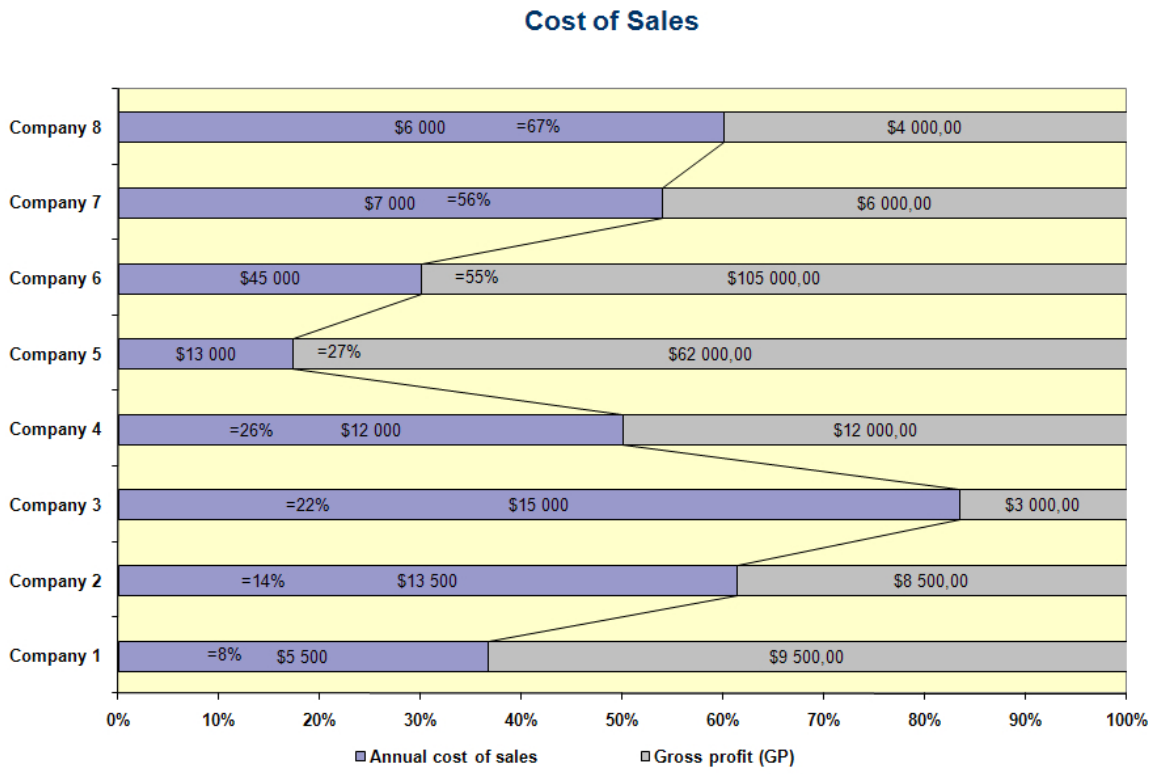
There should also be a review of each action and activity to note any lessons learnt or improvement opportunities. Ideally, the review should be undertaken by someone from outside the KAM team.

Profitability assessment – Costs/Sales tool

Name of Account Manager: .....

Date: .....

Account name	Annual total sales	Annual cost of sales	Gross profit (GP)	GP margin %	Cost of sales %
Company 1	15'000,00	5'000,00	9'500,00	63%	37%
Company 2	22'000,00	13'000,00	8'500,00	39%	61%
Company 3	18'000,00	15'000,00	3'000,00	17%	83%
Company 4	24'000,00	12'000,00	12'000,00	50%	50%
Company 5	75'000,00	13'000,00	62'000,00	83%	17%
Company 6	150'000,00	45'000,00	105'000,00	70%	30%
Company 7	13'000,00	7'000,00	6'000,00	46%	54%
Company 8	10'000,00	6'000,00	4'000,00	40%	60%



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