

Strategic Marketing Case Studies:

Key Accounts Management

By Malcolm McDonald, Emeritus Professor at Cranfield School of Management, Professor at Warwick, Henley, Aston, Bradford Business Schools and the Sino-British College USST Shanghai, and Chairman of Malcolm McDonald Consulting

Each of these mini-cases is based on real cases, but the names and some of the circumstances have been changed. Any name similarity with existing companies or people is entirely accidental and unintended.

The following mini-case is the second one in a series that are offered to readers as a way of considering just some of the complex issues which face all organisations which are serious in their intentions to build profitable and lasting relationships with customers.

This selection of mini-cases has presented just a small part of the myriad of problems that result from an organisation's efforts to become more customer focused. We hope that you will enjoy thinking about these problems, and will be better prepared as a result for dealing with the challenges inherent in your key account relationships. We have also included some case studies from the customer's point of view, which may be used as training scenarios for "boundary spanning."

Please "role-play" the characters in the mini-cases, but also consider what would happen in your company if it were faced with the situation described, and how you think your customer would react.

We have included a brief discussion at the end of each mini-case, including this first one. We stress that these are not answers, as there is never a perfect answer to any problem in life. Please compare our thoughts with your own, and please discuss them with colleagues, as this is the best way to learn.

Case Study: Jealous partners

Ideally, Jellox SA would like to ensure that their partnership suppliers do not work with their competitors. However, since competition law precludes them being able to enforce such a demand, they have placed on their suppliers the burden of convincing them that no possible cross-fertilisation can take place between what they do for Jellox, and what they do for their top rival, NV Inc.

How should the suppliers respond?

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Case Study: Jealous partners (continued)

Discussion: Ideally, Jellox SA would like to ensure that their partnership suppliers do not work with their competitors. However, since competition law precludes them being able to enforce such a demand, they have placed on their suppliers the burden of convincing them that no possible cross-fertilisation can take place between what they do for Jellox, and what they do for their top rival, NV Inc.

As has been explained, competition law in the UK and Europe states that anything offered to one customer by a supplier, must theoretically be offered to all. Key account strategy offers the opportunity to tailor products and processes so closely to an individual customer that no key account would get the same formula. They would get what offers them best value.

Professional services companies faced with this challenge from customers are careful to ensure that key account teams are specific to particular customers. Confidentiality agreements are signed, which include the pledge that no member of the designated team will work in the competitor's team, even for a certain period after their duties have changed. However, in other sectors, such as process manufacturing, the customer's demand would be unreasonable, as operationally most staff have to work on most orders. Confidentiality could be ensured at a strategic level, so that account managers were specific to major customers, and project teams on activities such as joint product development were also specifically assigned to them.

About Malcolm McDonald Consulting

Malcolm McDonald Consulting Ltd. is a strategic sales and marketing consulting business.

With our end-to-end interactions, from Board level to internal project team, we help companies create value through getting the fundamentals right in strategic sales and marketing, all within budget and the agreed deadline.

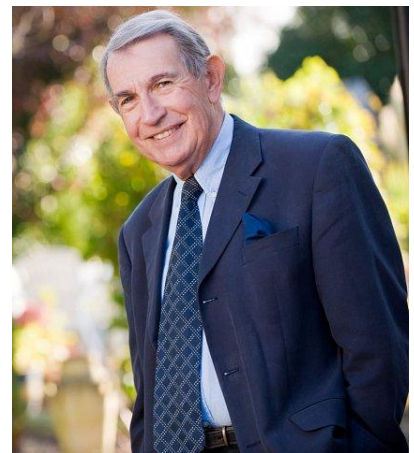
Professor McDonald and his team of consultants work with the Boards and internal teams of executives from a number of the world's leading multi-nationals on all continents.

Malcolm McDonald is Emeritus Professor of Marketing at Cranfield University, and Visiting Professor at Henley, Warwick, Aston and Bradford Business Schools. He authored over 40 books on marketing and key account management.

Coming from a background in business which included a number of years as Marketing Director of Canada Dry, Malcolm has successfully maintained a close link between academic rigour and commercial application. He has consulted to major companies from the UK, Europe, USA, Far East, South-East Asia, and Africa, in the areas of strategic marketing and marketing planning, market segmentation, key account management, international marketing and marketing accountability.

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