

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-cases are offered to readers as a way of considering just some of the complex issues which face all organisations who 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. 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.

Continued on next page >

These mini-cases are reproduced with kind permission from Beth Rogers, author of "Rethinking Sales Management" (published by Wiley and Son, Chichester).

Please use these cases only by permission from Professor Malcolm McDonald and acknowledge the authors.

All facts and figures in this publication are presented in good faith and on the basis of information before us at the time of writing.

Case Study: Pride comes before a fall

John Uplook, General Manager of 234 Services Europe, a market leader in office services, thinks that they have a very good record on key account management. In fact, he thinks that they are masters of best practice in key account management.

One of 234's prize accounts is Telephony International.

The Managing Director of Telephony International, Rod Lines, has appeared in 234's national magazine advertisements, praising their services. Privately, however, he is irritated by what he perceives as a cultural fault - their market leader arrogance - and a tendency to quote prices which they then lower when he challenges them.

The public closeness of 234 and Telephony has not stopped 234's nearest rival, Green and White Limited, from targeting Telephony International, and Rod Lines in particular. They are offering him better prices first time, without time-consuming negotiation. They display eagerness for his business, rather than condescension, and their products are just as good. Rod feels obliged to let them pitch for his business, but he does not welcome the hassle that changing supplier would cause. He would prefer 234 to be more like Green and White in their approach. He knows that the culture of 234 comes directly down to the key account teams from the very macho General Manager.

What can he do, short of changing supplier, to convince John Uplook that he ought to change?

Case Study: Pride comes before a fall (continued)

Discussion: The first action that Rod Lines should take is a thorough analysis of the value that his company receives from 234, rather than concentrating solely on price. If the same value can be achieved from Green and White at a lower price, then it is his duty to change suppliers. Before doing this, however, he should insist on a bid from both companies for a 100% partnership arrangement, not to help him decide on price, but to help him decide on value.

If he really prefers to keep 234 having done this, he should have a frank meeting with 234, on the basis of total value and the nature of the desired relationship. In this case, he was reassured that they would respond to his requirements.

If, after this, he had still been unsure about 234's cultural capability to adopt a partnership approach, he would have had two options:

- a. switch 100% to Green and White; and
- b. manage the status quo

Many purchasing decision-makers feel the need to ensure some degree of competition for their business, because they associate risks with single sourcing, such as the complacency of the supplier.

Case Studies

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.

The Management Team

Professor Malcolm McDonald	Chairman
Dr. Florin Vladica	Managing Director
Edmund Bradford	Director



Contact Us

Malcolm McDonald Consulting Ltd.
7 The Courtyard, Wootton Business Park
Wootton Waven, Warwickshire, B95 6HJ, UK
Email: enquiries@malcolm-mcdonald.com
Web: www.malcolm-mcdonald.com



Registered in England and Wales as company number 10126750

Case Studies, White Papers and Newsletters are supplied for personal use by the named subscriber. Any distribution without the written authority of Malcolm McDonald Consulting Ltd. is in breach of copyright. Additional subscriptions can be ordered at enquiries@malcolm-mcdonald.com