

## 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.*

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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.

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### Case Study: The frustration of a “basic” relationship

Peter Piper has been the account manager for DeepDiscount Retail Stores for three years.

DeepDiscount keep all suppliers of goods and services at arm's length. All business is bid for on a one-off basis. Social invitations from suppliers are rebuffed. Account managers are very unlikely to meet a purchasing manager regularly, let alone a decision-maker in another department.

Peter works for Contract Employees Limited. The company has been successful in regularly supplying temporary staff to DeepDiscount's warehouse. Recently, a few vacancies were filled by another agency, who undercut Contract Employees' price. In fact, the Warehouse Manager was furious with Purchasing because the staff supplied by the competitor were incompetent.

Peter is keen to persuade his Managing Director to take DeepDiscount out of his portfolio and give the company to a junior account manager.

Then, word gets back to Peter from one of the temps. who had done an assignment at DeepDiscount, about the dispute between the Warehouse Manager and Purchasing.

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Should it change his mind?

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### Case Study: The frustration of a “basic” relationship

(continued)

**Discussion:** This knowledge should probably not change Peter’s mind.

DeepDiscount is clearly not the kind of key account with which a value-creating relationship can be built. It would be in the bottom right hand box of the account portfolio matrix. There isn’t much potential for profit growth here and the relationship is poor. Accordingly, the relationship should remain transactional, with each transaction done on the basis of generating cash.

Peter may decide to stay just long enough to discover if the Warehouse manager wins his argument with Purchasing and gains higher level support for preferring Contract Employees Limited. This could establish a special status for CEL within the account, which might enable the account to be reclassified in the account portfolio matrix. Peter could then move on to his next account, having achieved some progress in difficult circumstances. The reclassification of the account would influence the choice of the skills required in the new account manager.

# 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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