

Key Account Management

Academic Year 2011-2012 – Fall Term

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Format, Slot: 5 x 3 hours on Thursday mornings (full class) and 5 x 3 hours on Fridays (two split groups). Special schedule for week of Oct. 31st.

COURSE DESCRIPTION

This course is about Marketing and Sales to large, strategic and multinational accounts in a business to business environment when the customer is a company or a government organization.

The overall objective of the class is to introduce the participants to the main steps of the management of a long term partnership between a supplier and its international key accounts.

More specifically, the students will develop the basic skills:

1. To understand, select and develop strategic relationships with key accounts,
2. To lead and stimulate efforts from functions across the supplier organization,
3. To set prices and negotiate complex offers in a competitive environment.

The course will be illustrated with practical examples and cases from real business situations at multinational companies from market segments such as High-Tech Electronics, Automotive, Military & Space as well as their networks of partners and sub-contractors.

The last session of the class will be devoted to the simulation of a “real negotiation” situation at a key account using a case and a Excel software specifically developed for the course.

Mr. Philippe Cavat, former Managing Director of DDI, the worldwide leader in “Talent Management, will animate one session of the course. He will tell the students about Key Account Management in the Consulting industry.

Another session will be animated by Mr. Olivier Jullien, Group Purchasing and Productivities Director from Mecaplast (automotive industry) and Mr. Wenceslas Wedrychowski, KAM at P&G. They will share their experience of KAM.

The “Customer Equity & CRM” and “Marketing Metrics & Financial Performance” courses to be given during the winter term will be natural complements to this class.

OBJECTIVES

The students will acquire the basic knowledge to be able to fulfil Marketing/Business Development, Purchasing and Key Account Management positions.

They will also develop the ability to communicate and make a professional customer presentation at a Key Account.

ADDITIONAL INFORMATION ABOUT THE COURSE

I will be available to meet with the students before and after the class; we will also communicate by e-mail, please check your EDHEC e-mail.

Also, consult regularly the class Blackboard on the EDHEC website. I will post on it instructions concerning the sessions of the course as well as electronic versions of all the material distributed in class.

ORGANIZATION AND CONTENTS

The course consists of ten sessions, a group student presentation and a final exam.

Dates	Sessions	Main subjects covered	Remarks
Thursday Sept. 8	1- Supplier-Customer relationship in B to B	<ul style="list-style-type: none"> ■ Complexity of the B to B environment ■ Customer uncertainties & Suppliers abilities ■ Accounts concentration and classification 	Rafale case
Friday Sept. 9	2- KAM and Business Networks	<ul style="list-style-type: none"> ■ The growing importance of key accounts ■ The Key Account Management model ■ Upstream and downstream networks 	Cases: Paper Industry; CEM's in High-tech
Thursday Sept. 15	3- Development of Key Accounts	<ul style="list-style-type: none"> ■ The "3 P's rule" for selection of key accounts ■ The KAM journey: building up the relationship ■ The DMU and the personal dimension of KAM 	Case: TelTech
Friday Sept. 16	4- Purchasing and answering RFQ's	<ul style="list-style-type: none"> ■ The importance of Purchasing at Motorola ■ Answering RFQ's: Go-No Go decision ■ KAM and product line strategy in automotive 	Case: Valeo at General Motors and Ford
Thursday Sept. 29	5- KAM in the Consulting industry	<ul style="list-style-type: none"> ■ Introduction to "Talent Management" ■ Account classification & development ■ Coordination of worldwide Key Accounts 	Session animated with Mr. Philippe Cavat
Friday Sept. 30	6- Proposal and Communication skills	<ul style="list-style-type: none"> ■ Writing and presentation of a Supplier proposal ■ Preparation of an effective presentation ■ How to make business presentations 	Preparation of the group presentations
Thursday Oct. 6	7- KAM in automotive and distribution	<ul style="list-style-type: none"> ■ KAM from the supplier's side. ■ KAM in the automotive industry ■ Management of Key Accounts in B to B to C 	Managers invited from Mecaplast and P&G
Friday Oct. 7	8- Value Pricing at Key Accounts	<ul style="list-style-type: none"> ■ Traditional pricing methods and their drawbacks ■ Value based pricing versus competition ■ International pricing in foreign currencies 	Cases: Airbus and Decathlon
Friday Nov. 4	9- Negotiation and closing	<ul style="list-style-type: none"> ■ Selling situations at Key Accounts ■ Preparing and leading negotiations ■ Pricing model for annual negotiation 	Case: Valeo at General Motors II
Fri./Sat. Nov. 4/5	10- Key Account Negotiation Game	<ul style="list-style-type: none"> ■ The "Toyota-Michelin" negotiation case ■ Use of real KAM's and Buyer's dashboards ■ Introduction to the Nash Bargaining Model 	Interactive group game on computer
Dec, 1 and 2	Group Presentations	<ul style="list-style-type: none"> ■ Key Account Presentation ■ Team of three students, 20 minutes ■ "Real" business key account situation 	Group: 40%
To be defined	Final Exam	<ul style="list-style-type: none"> ■ Individual, written ■ 3 hours, no computer, no external documents ■ Only personal notes taken during class allowed 	Individual: 50%

ASSESSMENT

10%: Participation in class

40%: Group presentation: 20 minutes, Key Account PowerPoint presentation, team of three students.

50%: Final exam: 3 hours, written, individual, personal notes taken during class allowed.

Individual exams and group works will comply with EDHEC code of ethics.

BIBLIOGRAPHY

Basic books (at the EDHEC library)

- Peter Cheverton, *Key Account Management*, Kogan Page, 2008
- James C. Anderson and James A. Narus, *Business Market Management*, Prentice Hall, 1999
- Darmon, René Y., *Leading the Sales Force: A Dynamic Management Process*, Cambridge University Press, 2007

Other books that you might want to consult:

- David Ford, Lars-Erik Gadde, Hakan Hakansson, Ivan Shehota, *The Business Marketing Course*, Wiley, 2006
- Neil Rackham, *SPIN Selling*, New York: McGraw-Hill Book Company, 1988
- Frederick E. Webster, Jr., *Industrial Marketing Strategy*, 3rd edition, John Wiley and Sons, 1991
- Robert Monczka, Robert Trent and Robert Handfield, *Purchasing and Supply Chain Management*, 3rd edition, Thomson, 2004
- Ed Peelen, *Customer Relationship Management*, Prentice Hall, 2005
- Baran, Galka and Strunk, *Principles of Customer Relationship Management*, Thomson South-Western, 2008
- Stanley A. Brown, *Customer Relationship Management: A Strategic Imperative in the World of e-Business*, John Wiley, 2000
- David J. Finnegan and Leslie P. Willcocks, *Implementing CRM, From Technology to Knowledge*, John Wiley, 2007

ON-LINE MATERIAL ON EDHEC BLACKBOARD

- Student versions of the material presented in class
- Go-No Go decision Excel calculation sheet
- Negotiation Simulation Game: Excel software
- Selection of best student presentations of prior years.

Updated: August 25th, 2011