

Key Account Management Leadership

by Sonia Lemmen, deputy General Manager Batenborch Germany

Today a Key Account Manager is **a Business Manager type , who need to have consultative, managerial and leadership skills.** He/she must be a trusted team leader with access to the company's board and need to have the authority to make decisions. In most companies a Key account Manager has P&L responsibility on his customers. The position is also more and more rewarded as a management position.

Today a Key Account Manager must be Pro-active and participate on company short and midterm customer strategy. He must lead his category, to avoid to be considered as a commodity. Otherwise all his discussions will be price related and on the midterm the brand will disappear and replaced if he's lucky by a private-label.

Let's start together an exercise by identifying the skills (the hard and soft skills) required for **a future role of Key Account Manager.**

Let's summarize from IGD the 6 future outlook about retailers expectations in 2013/2014.

1 .New product introductions

When retailers were asked what distinguishes a ' best in class' branded supplier, 2 in 3 retailers gave "launch of innovation that contributes to the category growth" as their top answer for 2013. Previous year New product launches ranks fourth in terms of focus.

The other three area's of key focus are Price & promotions, better long term planning and understand shoppers.

So we have a window of opportunity **to INSPIRE AND ENGAGE SHOPPERS**, by adding interest and value into the category.

However, harnessing the power of shopper insights to support new product launches remains a challenge for many suppliers.

How fast can your business react to **changing shopper and category developments?**

How well equipped are your teams to generate actionable shopper insights to support new product launches and strong in store activation?

2. Multi channel capability – the new battleground

Retailers and suppliers were asked: which three areas will be the key focus of your trading relationships in the next three years?

Almost half of all retailers and a third of manufacturers believe that developing multi-channel capability will become **increasingly important in the next 3 years**.

The speed of change is driving this area- retailers are looking to deliver a seamless shopping experience across all store formats and channels and provide shoppers **consistency and availability**, wherever they make purchase, either online or in store.

Suppliers with the capability to develop **bespoke shopper programs by format and channel** have the potential to develop a major competitive advantage.

How are you currently managing multi-channel retailing within your business, especially online? Should you be up SKILLING YOUR TEAMS to take on more multi-channel responsibilities?

3. Opportunities or greater collaboration

*Retailers and suppliers were asked: Which three areas will be the key focus of your trading relationships in 2013 and in the next three years? Answer: **Greater strategic alignment***

Both retailers and suppliers believe that greater strategic alignment will continue to be a growing focus of their trading relationship in 2103 and beyond.

Implementing the right structure to secure internal alignment and drive collaboration through a **joint business plan** is the key to successful relationships.

However, 1 to 5 suppliers in the survey believes that their company has yet to adopt a truly **customer-centric business strategy**.

What would be the likely effect on your long term trading relationships and business performance, of having a better knowledge of customer operating model and strategic direction?

4. Quality account management skills plays a crucial role

Suppliers were asked: please rate your company's capability in the area of customer management?

Suppliers have overall developed good account management capabilities, with **the basics in place** for most.

But taking a more **agile and strategic** approach to customer management remains a challenge for many. However, according to retailers, these are the hallmarks to best in class suppliers.

1 in 5 suppliers reports that their business has yet to develop an **effective customer segmentation strategy**. 1 in 3 suppliers are hampered by systems not being able to analyze **trade spend and promotions effectiveness**.

Seizing the moment of opportunity is key – does your account team has the skills and financial acumen to take a more strategic approach to customer management and maximize the return on trade investment for your business?

5. Continuing focus on the shopper – even more so

*Suppliers were asked which three areas will become more important in trading relationships in the year ahead? Answer: **Understand the shopper***

Retailers and suppliers agree the “ understanding the shopper” is and will remain **a key focus area** in trading relationships.

Suppliers have made a good progress in building their capability in this area, but **capability remains very polarized**. Expect even stronger focus in the future.

79% of retailers are looking to develop greater capability in **turning shopper insight into activation.**

Over half of retailers are looking or suppliers to develop **bespoke shopper programs** for each of their store formats.

Retailers and suppliers working together to jointly understand the shopper is a powerful combination. Have you developed a shopper-focused strategy by store format?

6. Supply Chain- there's still more to do

Retailers were asked: What capabilities distinguish a best in class branded supplier for you?

Supply chain efficiency remains very high on the retailers agenda. "Meeting service levels in line with our expectations" ranks in the top 3 of retailers' expectations of best in class suppliers.

Doing enough is not sufficient, your supply chain should be an extension of your customers supply chain. Less than 1 in 5 suppliers rate themselves as 'best –in-class' in this area.

An element of 'disconnect' between supplier functions still exists. Ensuring that commercial and supply chain teams work together and supply chain teams work together towards common, customer-focused goals remains an opportunity for many suppliers.

How agile and flexible is your supply chain capability? How quickly can you respond to changing retailers need?

For each of these new trend which are the needed hard skills and soft skills?

Hard skills are:

- Shopper insight & Shopper activation capability to support new product launches
- Category Insight & Management
- Customer segmentation (strategic approach to customer management and maximize the return on trade investment with score card model – capability and willingness to invest in the category)
- Multi-channel capability (develop shopper programs by format and channel)
- Supply chain capability

Soft skills:

- Business acumen (knowledge of competition, customers, external factors which can affect business)
- Financial acumen (profitable collaboration)
- Strategic and analytical skills (go for the bigger and long term perspectives)
- Influencing & Negotiation skills (from tactic to strategic negotiation skills)
- Planning & Organization - from simulation to customer business plan (NPD, Promo , assortment) to Customer Score plan with operational and In store excellence
- Entrepreneurship & leadership

Attributes :

The requirement for attributes will affect the 'make or buy' decisions when recruiting people to these positions. It is more important to identify and bring in people with the optimum attribute profile, because their competencies can be more readily developed than their attributes, for example Tenacity is an attribute which is hard to develop.

- Tenacity + willing to be highly interactive
- Creative
- Open-minded (strong Emotional intelligence and empathy)
- Result driven
- Integrity and trustworthy

It is impossible to find all these competences within one person. To meet retailers expectations you will need to form multi-disciplinary teams.

Great leaders always assume they still have a lot to learn. A competent leader does not have all the competencies - and does not have to. A second trait of competence is the ability to surround you with talented people. You should strive to attract the best possible people.

Ronald Reagan was not the most skilled President, but had the capability to surround himself with the most competent managers.

Remember A – managers hire A-people, B- Managers hire C-People...

A headhunter advice/ Hire only the best!

Sonia Lemmen from Batenborch Düsseldorf.