LTEN TGaS® Advisors

The Role of Key Account Managers

By Nicole Valliere

Most organizations have a variation of the key account manager (KAM) role. It is no surprise, then, that most companies are seeking to gain deeper insights into the role. In October 2016, TGaS Advisors investigated how the KAM role is being positioned, defined and supported through learning and development in the pharmaceutical industry. We also explored opportunities for the pharmaceutical industry to leverage business-to-business (B2B) KAM best practices.

Pharmaceutical KAMs

Across all surveyed companies, some consistent characteristics were seen with the KAM profile, as well as training support and design. While all companies have KAMs supporting multiple brands and training departments supporting learning and development, the training support and resources vary. On average, 0.8 of a trainer is supplied per 100 KAMs. Variation also exists with those sharing trainers versus having dedicated KAM trainers.

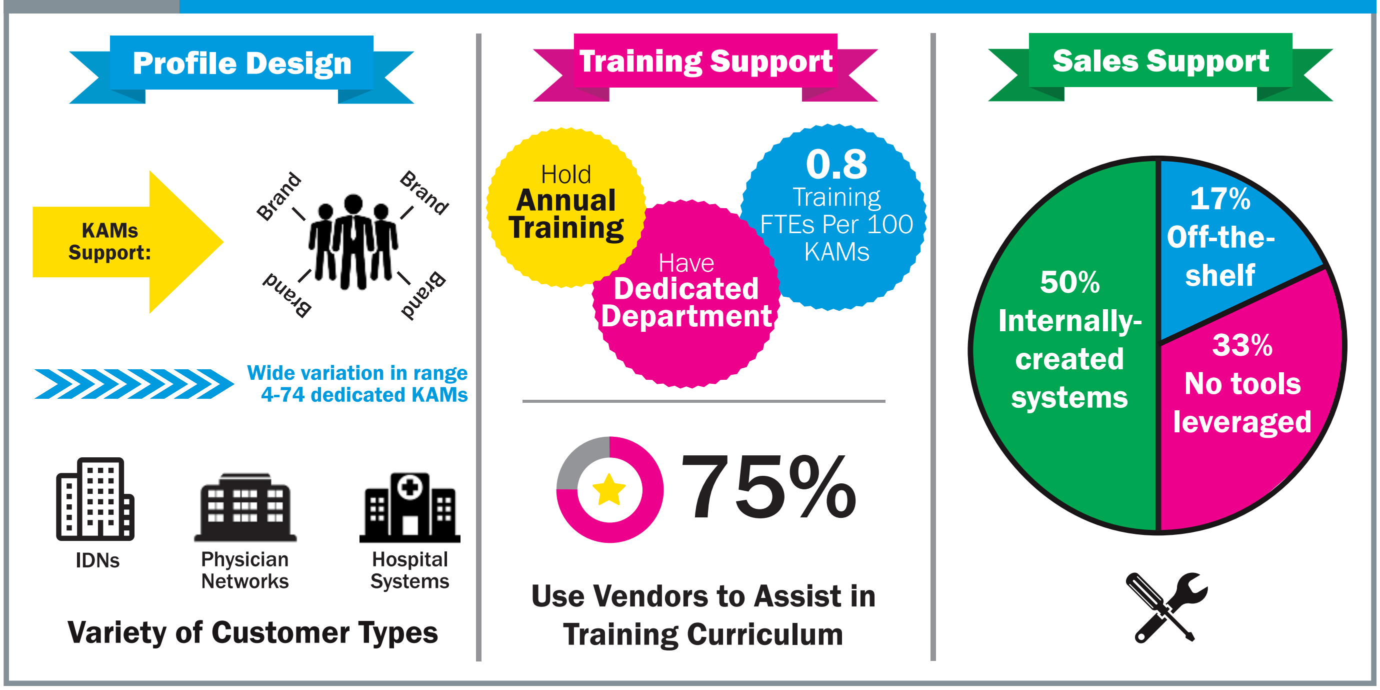
Differences were seen with training support design and the CRM systems. Field force sizes have a great range of variation, from four dedicated KAMs to 74, depending on organization size. CRM tools and usage vary by company, with some companies utilizing off-the-shelf tools, while others have homegrown systems. Regardless, a process and digital means to glean insights that drive action is essential.

Pharmaceutical KAM Training

All responding companies take a traditional approach to designing KAM training. Clinical knowledge, an integral part of the training curriculum, will always be required because the focus and measure of success is account success. However, companies need to balance training on clinical acumen with account and marketplace needs. KAMs would benefit greatly if customer engagement topics were embedded in the initial phases of training, rather than in more advanced phases. Some companies would argue that these should be trained prior to clinical acumen, as they do more to drive account success.

While the pharmaceutical industry is heightening the focus of the importance of customer engagement, the opportunity exists to raise the bar when it comes to KAM business acumen training. KAMs must have a deep

FIGURE 1 PHARMACEUTICAL KAM KEY INSIGHTS & FINDINGS



understanding of the marketplace and possess strong account management skills. These training topics should be taught not only at an advanced level, but also placed in contextual situations where they must make decisions and solve problems. Departments should assess KAM knowledge and skill level and create leveled tracks for developing expertise.

When asked what actions support KAM training and performance, respondents provided these insights:

- Clearly define KAM roles and responsibilities and how they integrate with other field roles.
- Create curriculum with foundational skills consistent among KAM brands.
- Incorporate additional topics in initial training to address key areas of need.
- Enhance advanced curriculum to address rapidly changing marketplace.
- Customize coaching report to accommodate KAM behaviors.
- Identify career progression and how KAM role is positioned before or after a training role and a DM or account executive role.

FIGURE 2 **ACTIONS TO CONSIDER TO SUPPORT KAM TRAINING & PERFORMANCE**

Role & Career

- Clearly define roles and responsibilities
- Identify career progression
- Customize the coaching report

Curriculum

- Develop consistent foundational skill across KAM brands
- Incorporate influence mapping and problem-solving in initial training
- Enhance advanced curriculum to reflect changing marketplace
- Incorporate feedback from KAMs

Non-Pharma KAM

While the role of KAM is new to pharma, non-pharma B2B companies have utilized KAMs for some time. These companies select Key Accounts based on existing revenue/potential. During key account selection, a general practice is the 80/20 rule, where 80 percent of revenue comes from the top 20 percent of customers. A well-defined set of processes and procedures then provides ongoing service and support. Success comes from relationship building.

Relationship building has been identified as the most important element of developing a key account. In B2B the KAM is the driving force. The account manager is at the center

FIGURE 3 **NON-PHARMA KAM KEY INSIGHTS & FINDINGS**

TRENDS ACROSS ALL COMPANIES

- Long-term use of KAM or B2B approaches
- Key Accounts based on existing revenue and revenue potential
- 80/20 rule: 80% of revenue comes from top 20% of customers
- Well-defined set of processes and procedures
- Relationship building is paramount to success

EMERGING TRENDS

- Walks a delicate balance between customer and company
- Demand for new growth is the biggest driver
- Mirror the structure of support for the KAM team across all stakeholders
- Support needs to come from the highest levels of the organization
- Incorporate day-to-day continued learnings back into the account

of any successful KAM team. This person, the "quarterback" or "hub of the wheel," walks a delicate balance between customer and company.

As strategies for the KAM and accounts are determined, demand for new growth is the biggest driver. To sustain this strategy, more companies are developing a mirrored support structure that acts in the same manner across stakeholders. The highest levels of the organization are involved and directly connected to the KAM positioning and strategic implementation. A constant feedback loop between KAMs and the home office provides input into strategic decisions.

What We Can Learn from Non-Pharma

Compared to traditional B2B, pharma companies have a much broader connection with their end users. This can lead to saturating an account manager's time. Customers generally expect pharma KAMs to have a high degree of product expertise. This is not the case in traditional B2B companies where KAMs leverage a well-defined support network within their organization, serving principally as the relationship manager and a single point of contact for the customer. This provides for a more integrated solution where the customer relies on the key account team to solve problems across all levels of their organization. ■

About this Study: Working in partnership with LTEN, TGaS Advisors, a benchmarking and advisory services firm, conducts studies of training and development in the life sciences industry. For more information, contact Nicole Valliere, director, learning & development, at nicole.valliere@tgas.com.