

Saimaa University of Applied Sciences
Faculty of Business Administration Lappeenranta
Degree Programme in International Business

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**Successful account management in an aftersales
service organisation in manufacturing business:
Case company X**

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Abstract

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Successful account management in aftersales service organisation in manufacturing business: Case company X, 43 pages, 1 appendice

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The purpose of this thesis paper was to examine the future requirements, skills, and competences of account managers in aftersales service organisation in the manufacturing business. The study was commissioned by Case company X.

The information was gathered from literature and by interviewing persons from Case company X with experience in account management.

The results of the study show that niche technical knowledge is not a necessity when managing accounts in an aftersales service organisation in the manufacturing business, whereas a person's qualities such as curiosity, adaptiveness, willingness to learn, and self-reflection surfaced as more necessary. Additionally, to further improve account management, the value of account management was researched.

Keywords: key account management, key account manager, value proposition, value proposition canvas

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Appendix 1 Interview questions

1 Introduction

In the current business world, many companies have shifted towards a marketing strategy which aims to build long-term business relationships (Abratt & Kelly 2002, p. 367; Reid & Plank 2000, p. 9; McDonald, Millman and Rogers 1997, p. 737). Managing customer relationships successfully is important for companies since it can lead to competitive advantage. Companies use account management as a tool to improve customer relationships.

Case company X is keen on finding the best practices for their operations and account management is no exception. The competition in the marine industry is more intense than ever and thus, it should be considered whether companies can develop their account management and its processes. This chapter introduces the reader to the topic and its background. Objectives and delimitations, research method, and key terminology are defined.

1.1 Background

Kumar & Reinartz (2012) have researched concept, strategy, and tools of customer relationship management. According to them key account management is highly relevant for customer relationship management in the business-to-business context. Likewise, account management is part of Case company X's business-to-business service sales process.

Currently Case company X's account management team consists of people with a hard technology background. Moreover, many of them have worked as a service engineer, superintendent or similar in the past, before their current position. In other words, they have a significant amount of niche information about the products and services that Case company X offers. The higher management is now pondering if, in the future, the skill set is still relevant and what kind of changes it might face. Naturally, the current account managers are highly sales oriented and have undergone sales training but are still having that engineer mind-set.

1.2 Previous studies

The concept of key account management has been present in literature since the beginning of the 1960's and is not a new approach to developing business (Weilbaker & Weeks 1997, p. 52). Key account management has been defined in various studies and has been described as an approach that includes relationship marketing in order to establish mutually beneficial business relationships (McDonald & Rogers 1998, pp. 1; Wengler 2006; Woodburn & Wilson 2014).

Zupancic (2008, p. 323) has discovered that key account management activities are more complex than the available literature leads on. McDonald et al. (1997, p. 323) emphasize that key account management is a long-term business operation and according to their research it can take up to ten years for the company to reach the return on invest break even. Cheverton (2004) has researched the purposes and objectives of key account management and stated that it is about managing the future. Additionally, Cheverton (2008) has derived the skillset of key account manager from the traditional sales professional. McDonald & Woodburn (2007) describe the role of the key account manager from the supplier, customer, and joint perspective. Mahlamäki (2010) has researched the influence of personality on the job performance of key account managers.

1.3 Objectives and delimitations

The objective of the study is to research what kind of requirements a future account manager has in an aftersales service organisation in the manufacturing business in order to be successful. The purpose of the research is to gain an understanding about the requirements especially from Case company X's point of view. Case company X is a local service unit, based in a European country, of a larger world wide international organization.

This study utilises previous studies and literature related to the subject of account management as well as expert interviews. The utilisation of the empirical part is limited to Case company X, whereas literature is delimited to account management in general.

The most essential research questions are:

1. What kind of requirements will an account manager have in an aftersales service organisation in the manufacturing business in the future in order to be successful?
2. What kind of skills, qualities, and a mind-set will an account manager need in an aftersales service organisation in the manufacturing business in the future in order to be successful?

Sub questions:

1. What is successful key account management in general?
2. What is the value of key account management?
3. How does key account management bring value to a company and/or customer?

1.4 Research method

The research was conducted as a case study on Case company X. Case study research examines the phenomenon or individual by describing, understanding, controlling and/or predicting it. Case study research is executed empirically in its real-life context. (Yin 2009, p. 18; Woodside 2010, p. 2.) Moreover, case study research is primarily conducted with qualitative methods, which are essentially descriptive and derivative. They focus on understanding the meaning of what is going on by people describing what they do. In addition, case study research includes all evidence that is pulled into the case study researcher's data collection. (Gillham 2000, p. 10.)

Semi-structured interview is used as part of the case study methodology to gather qualitative data. The data is expected to show and interpret the "what" and "how"; moreover, stress the "why". (Saunders, Lewis, & Thornhill 2009, p. 146.) Therefore, the empirical data was collected through semi-structured expert interviews with selected individuals from Case company X. The research process is illustrated in Figure 1.

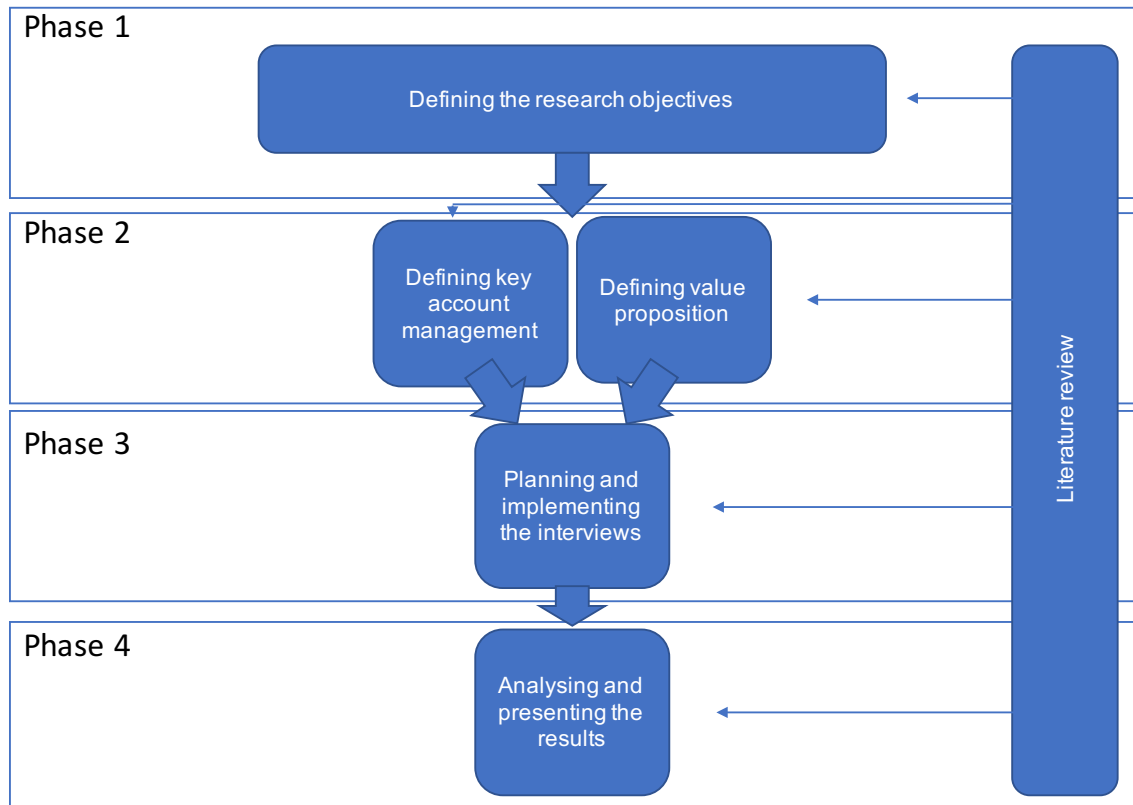


Figure 1. Research process

In Phase 1 the research objectives are defined. This is followed by defining the key concepts of the study in Phase 2. Next, in Phase 3 the questions for semi-structured interviews are planned based on the theory of the key concepts and then the interviews are carried out. Finally, in Phase 4 the analyses are done, and the results of the study and the answers to the research questions are provided. Literature review is conducted throughout the study.

1.5 Planning and implementing the interviews

An interview is interaction with a purpose between two or more people (Kahn & Cannell 1957 p. 149). An interview can aid in gathering reliable and valid data that is relevant to the research questions and objectives (Saunders et al. 2009 pp. 318). In this case, to obtain valid and reliable data a semi-structured interview was chosen as the interviewing method.

In a semi-structured interview a set of questions and themes are covered, and these can vary in different organisational contexts that are faced. In addition, the

question sequence may be different in different interviews and additional questions may surface during the interview. (Saunders et al. 2009, p. 320.)

Forming suitable questions to shed light on the study is critical to achieve success in a semi-structured interview. Thus, open questions that allow the interviewee and interviewer to explain and illustrate a situation or event and probing questions that are used to explore responses that are of significance to chase particular focus or direction are used as a foundation for the interview questions. Open questions may reveal attitudes or facts because of their design. They are designed to encourage the interviewee to come up with developmental and extensive answers. (Saunders et al. 2009, pp. 337-338.) The interview questions used in this case study are shown in appendix 1.

The interviews with representatives of Case company X were conducted via Skype. As the study deals with phenomena with account management, naturally the participants had experience in the position. Two less experienced persons and one more experienced person were eligible and available for the interview during the research process. Two persons had worked as an account manager in their previous employments and one is currently an account manager. All three had from two to seven years of experience in account management and insight into the marine industry. They came from various educational backgrounds but they all had working experience in the industry. The interviews were recorded since it is recognised as a mean to control bias and to produce reliable data for analysis (Saunders et al. 2009, p. 339).

1.6 Case company

Case company X is a local service unit, based in a European country, of a large international organization with operations in over 200 locations and in more than 70 countries. It offers solutions in advanced technologies and complete lifecycle solutions in the marine and energy markets.

Case company X operates in the business-to-business (B2B) market and it offers spare parts and services to their customers in the following product portfolios: 4-stroke engines, 2-stroke engines, seals and bearings, and propulsion. Case company X's customers consist of ship management companies residing in the

same country as the Case company. The customers are responsible for the technical management of their clientele's vessels. Therefore, the account management in Case company X is a complex process which includes several different parties to co-operate with.

Competition consists of a few major players in the industry in addition to the around the corner shops. Case company X's competitive advantage is the added value of an original engine manufacturer (OEM), warranty, and a world-wide organization which is able to serve the customers where-ever and whenever.

1.7 Structure of the thesis

In research, observations are considered as clues since they are always examined from an explicit aspect. This point of view is called a theoretical framework. (Alasuutari 2011, p. 79.) Thus, in the next chapter the theoretical framework of the study is examined by describing and explaining the phenomenon through the concepts of the theoretical framework. The theoretical framework of the study is based on the following concepts: key account management, roles, skills, knowledge, and qualities of key account manager, and value proposition. These concepts form the theoretical framework displayed in Figure 2.



Figure 2. Theoretical framework of the present research

1.8 Key terminology

Key account management

McDonald & Rogers (1998, p. 1) define key account management as follows:

Key Account Management is an approach adopted by selling companies aimed at building a portfolio of loyal key accounts by offering them, on a continuing basis, a product/service package tailored to their individual needs.

Wengler (2006) has researched past literature and, based on that, defines the concept of key account management as follows:

Key account management is a supplier's relationship marketing program which aims at establishing, developing and maintaining a successful and mutually beneficial business relationship with the company's most important customers. Key account management includes all internal and external marketing activities which help to sustain the relational exchange process. The key account management program is institutionalized at the supplier-customer interface and provided with adequate competencies and resources within the supplier's internal organization.

Woodburn & Wilson (2014) add that a key account can be strategic and describe strategic key account management as:

supplier-led process of interorganizational collaboration that creates unique value for both supplier and strategically important customers.

Skill

According to Cambridge Dictionary (2018a), skill is *an ability to do an activity or job well, especially because you have practised it.*

Quality

According to Cambridge Dictionary (2018b), quality is *a characteristic or feature of someone or something.*

Value

Sidorchuk (2015) has researched past literature and formed the concept of value in marketing as follows:

The value (in marketing) is the perfect model of obtaining satisfaction from the result (the process) the exchange of goods and services to individual consumers, social groups, companies or associations, which determines the their stable basic life orientation and motivational setting.

Value proposition

Golub, Henry, Forbis, Mehta, Lanning, Michaels & Ohmae (2000) defined value proposition as: *a clear, simple statement of the benefits, both tangible and intangible, that the company will provide, along with the approximate price it will charge each customer segment for those benefits.*

2 Theoretical background

In this chapter, the theoretical background of the study is examined. Theories from key account management to value proposition are presented. In this paper, key account management literature is applied to account management. Biong & Selnes (1996) suggest that the salespeople play a key role in forming long-term supplier-customer relationships. In addition, customers often have higher loyalty to the actual sales people than they have to the companies employing them (Anderson & Robertson 1995; Heide & John 1998; Macintosh & Locksin 1997). Therefore, it can be derived that the work of an account manager is similar to the key account manager.

2.1 Key account management

Key account management has been addressed in the literature from different aspects. This chapter studies and describes generally accepted definitions, the most important purposes of key account management present in the literature, and what key account management tries to achieve.

Key account management has been described as a method that supplier companies have established in order to focus on a set of loyal key accounts by offering them, throughout the business relationship, product and/or service packages tailored to their individual needs (McDonald & Rogers 1998, p. 1). Wengler (2006) has researched past literature and describes the concept of key account management as being a supplier's relationship marketing program

whose purpose and objective is to establish, develop, and maintain a successful and mutually beneficial business relationship with the supplier's most important customers.

To reach and sustain a relational exchange process, all external and internal marketing activities must be included in the key account management program. Additionally, the key account management program requires to be provided with sufficient competencies and resources within the supplier organisation. Key account management is institutionalised at the supplier-customer interface. Furthermore, key account management can be seen as strategic account management. Strategic key account management is a supplier-led interorganisational cooperation process that aims to create exclusive value for both the supplier and strategically important customers. (Woodburn & Wilson 2014.)

Cheverton (2004, p. 41) breaks down the purposes and objectives of key account management. The dominant take is that all of the purposes and objectives of key account management pursue long-term benefits directly or indirectly, trying to manage the future of both the supplier and the customer. Naturally, this requires to carefully identify and select customers that can contribute to achieving the objectives of the supplier. With these selected customers it is important to develop a mutual understanding of needs and values so when the confidence grows, it is possible to influence their decision making towards the competition by providing this key account with a certain level of attention, in order to grow them against the competition. This can lead to competitive advantage and increase the customer loyalty, and in the best case scenario, secure a key supplier status to the customer organisation.

To achieve these long-term benefits, it is additionally important for the supplier organisation to balance the business objectives between the key account program and business resources, in addition to the market opportunities. This requires a good allocation of resources, especially people. The purposes and objectives of key account management are compiled in Figure 3. (Cheverton 2004, p. 41.)

Purposes and objectives of key account management
Manage the future Identify customers that will help us achieving our objectives Retain and grow customers against competitive forces Gain entry to new customers Develop intimacy with customers' needs and values Gain competitive advantage Increase long-term customer loyalty Secure key supplier status Balance business objectives, market opportunity and business resources Allocate and deploy resources, particularly people Direct and drive the business, particularly support functions Secure a profitable future

Figure 3. Purposes and objectives of key account management (Cheverton 2004, p.41)

In conclusion, key account management is a sales and marketing strategy the purpose of which is to develop competitive advantage to the supplier and the customer by performing activities that manage and secure a profitable future.

2.1.1 Roles of the key account manager

The role of the key account manager can be expressed in various ways and seen from different perspectives. In general, key account manager implements and facilitates, and these actions are perceived from supplier and customer point of view in addition to the joint perspective (McDonald & Woodburn 2007, pp. 289-293).

Key account managers have two roles in general: implementation and facilitation. Firstly, in implementation the account manager makes decisions regarding the account and makes sure that the decisions are delivered both to the customer and to the supplier. In addition, by deeply understanding the customer, the account manager can apply convenient strategies and plans, which is demanded in implementation of the key account manager role. (McDonald & Woodburn 2007, p. 289.)

Secondly, in facilitation the key account manager develops relationships that will make implementing the business strategy possible. The relationship goes deeper than the key point of contact with the customer and thus requires further relationships to be developed. These include relationships with different functions in the customer company, cross-functional relationships in the supplier and possibly third-party associate relationships as well. Balance must be maintained between the implementation and facilitation roles since there is no point in building a relationship without a business purpose. Additionally, the realisation of the business strategies requires a right network of relationships. (McDonald & Woodburn 2007, p. 289.)

The implementation and facilitation roles can be further broken down into three sub-roles. The implementation role includes expert in the customer, value developer, and point of accountability. The facilitation role includes boundary spanner, conduit, and focal point of contact. The meaning of the roles is elaborated in more in Figure 4. It can be also seen that the customer and the supplier might perceive the roles slightly differently. In addition, McDonald & Woodburn (2007, pp. 289-293) identify two additional roles: internal roles and customer-facing roles. Internally the key account manager should perform as a resource manager, risk manager, and as a team leader. To customer the key account manager should perform as a sales person, competition monitor, and lever for full range of capabilities.

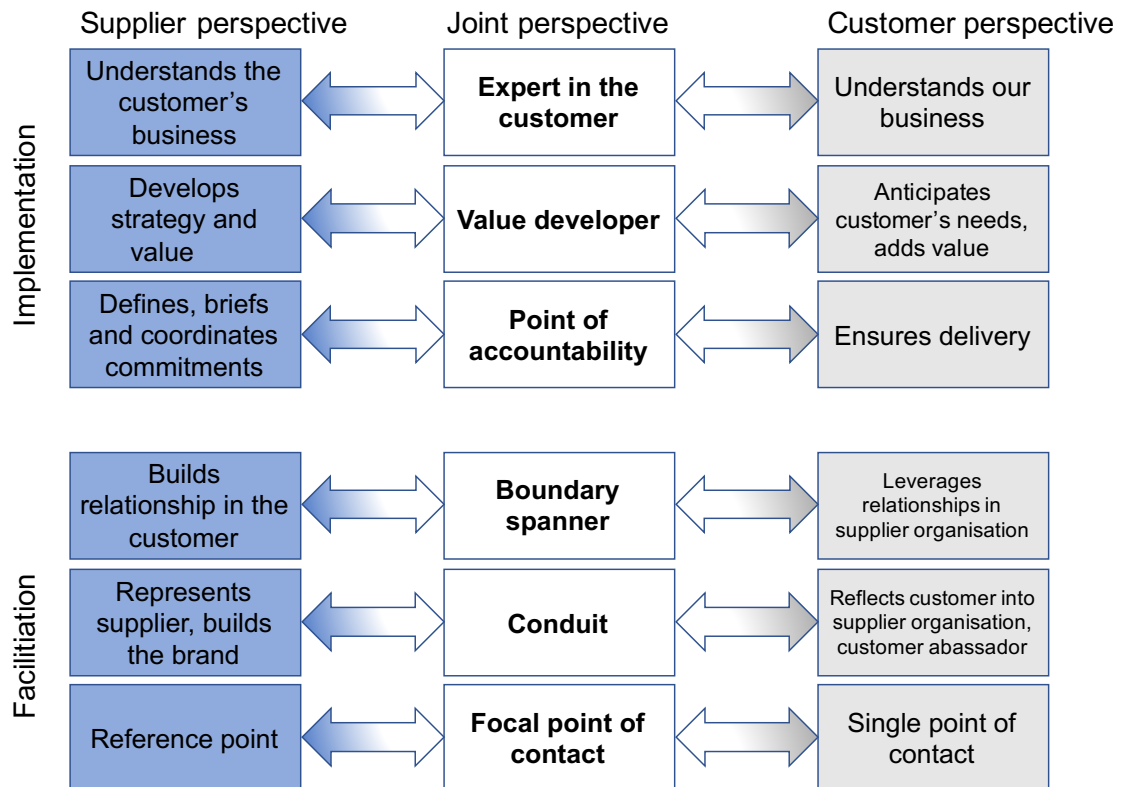


Figure 4. Supplier and customer perspectives on the role of the key account manager (McDonald & Woodburn 2007, p. 290)

McDonald & Woodburn (2007, p. 307) had professionals from different sectors to identify the ideal time management of the key account manager (see Figure 5). What strikes the eye is that three activities should take more time than selling. The key account manager should invest more time in developing internal and external relationships, implementing operational tasks, and training his knowledge about the industry, strategy and planning (McDonald & Woodburn 2007, p. 307).

Activity	Share of time
Developing relationships	20 %
Implementing deal operationally	15 %
Developing industry knowledge, strategy and planning	10 %
Selling	5-10%
Ensuring internal alignment for deal commercially	5-10%
Understanding of internal capability	5 %
Solving internal day-to-day problems	5 %
Promoting brand/business	5 %
Reporting/providing information	5 %
Training and education	5 %
Managing the team	5 %
Other	10 %
Total	100 %

Figure 5. Ideal allocation of a key account manager's time (McDonald & Woodburn 2007, p. 307)

The role of the key account manager is a complex combination of different activities and perceptions. Even though developing relationships should take the most time in the key account manager role, it is crucial to keep in mind that facilitating without a business purpose is waste of time and that the actions implemented are seen differently by the supplier and the customer company on top of the mutual perspective which is apparent for both.

2.1.2 Skills and qualities of the key account manager

In order to be successful, a particular set of skills and qualities are required from the key account manager. They are more advanced when comparing to the traditional set of skills of a sales professional (Cheverton 2008, pp. 316-317). This subchapter reviews the generally accepted literature and deepens the theoretical background of the study by addressing the skills and qualities of the key account manager.

Cheverton (2008) adjusts the skill set of a traditional sales professional to the skill set required in the key account management task. Key account management tasks are sometimes mistakenly thought as an extension of the traditional sales task. The traditional sales professional skill set include: product knowledge, interpersonal skills, presentation skills, negotiation skills, self-organisation, time

management, territory management, and independence. However, the general skill set required in the key account management task includes strategic thinking, strategic influencing, business management, team leadership, team working, innovation and creativity, coordination, managing change, managing diversity, coaching, and political entrepreneurship. (Cheverton 2008, pp. 316-317.)

McDonald & Rogers (1998, p. 120) present that personal qualities, subject knowledge, thinking skills, and managerial skills are the four skills or qualities that form the ideal key account manager profile. These skills or qualities allow the key account manager to perform in a way that allows the supplier and the customer company's expectations be met at higher and more developed relationship levels. The skills or qualities are shown in more detail in Figure 6.

Skills or qualities	Specific items
Personal qualities	Integrity Resilience/persistence Selling/negotiating Likeability
Subject knowledge	Product knowledge Understanding of business environment/markets Financial knowledge Legal knowledge Computer literacy Languages/cultural knowledge
Thinking skills	Creativity/flexibility Strategic thinking/planning Boundary spanning (e.g., ability to look from different perspective)
Managerial skills	Communication skills People management/leadership Credibility Administration/organisation

Figure 6. Skills and qualities of the ideal key account manager (McDonald & Rogers 1998, p. 120)

Abratt & Kelly (2002) have investigated the perception of the supplier and customer in key account management context. They found out that suppliers and their key account customers have homogenous perceptions of the key success factors in the partnership of the customer and the supplier. One of the most important and critical success factors is knowing and understanding the key

account customer's business. In addition, proper implementation and understanding of the key account management program, suppliers and customers commitment to key account management program, suitability of the key account manager (integrity, ability to relate to the key account customer's culture, interpersonal skills, and personality), and trust between the supplier and the key account customer are considered as key success factors. Additionally, key account managers who focus on strategic communication topics are more bound to have success in role performance, trust, and development of harmonious solutions (Schultz & Evans 2008).

Presentation, communication and negotiating skills, persuasiveness, and integrity benefit the key account manager to perform in the early stages of key account management (McDonald & Rogers 1998, pp. 113-116). According to McDonald & Rogers (1998, p. 113), the stage of the relationship between the buyer and seller organisations affects the role of the key account manager. Mahlamäki (2010, p. 28) emphasizes that this means that the skills required to be successful in the key account manager job change as well. To find a match between the customer's needs and the expertise of the professional organisation, key account manager requires two types of knowledge which can only be achieved through intensive interaction between the two: the customer and the professional organisation as well as within the professional organisation (Nätti, Halinen & Hanttu 2006).

Millman (1996) describes the seven requirements for the key account manager in systems selling (selling comprehensive packages of products and services) as follows: coordination, key account planning, external relationship management, internal relationship management, sales and profit responsibility, negotiation, and multi-cultural teamwork.

Mahlamäki (2010) has researched the influence of personality on the job performance of key account managers. He discovered that certain personality traits had a strong relationship with the key account manager job performance, i.e. right people need to be found. Companies should especially look for extraversion, conscientiousness, and agreeableness in the potential employees. In contrast, age, gender, education level, customer work experience, or the

number of key accounts did not have a significant effect on the job performance. Additionally, work experience within the current company did not affect sales performance but had a slight positive effect on relationship management.

A wide range of skills and qualities can be associated with key account management, which can be divided into the following sections: personal qualities, subject knowledge, thinking skills, and managerial skills (McDonald & Rogers 1998, p. 120). In addition, Abratt & Kelly (2002) have found out that to succeed in the role of key account manager, the customers' business must be understood. From the supplier point of view, it is important to understand that certain traits do not have a significant effect on the performance of the key account manager (Mahlamäki 2010).

2.2 Value as a part of key account management

In order to add value to the suppliers key account customers, the suppliers need to adequately evaluate their core strengths and make use of that information in a way that can add value to their selected customers. Thus, it is important to have an effective process for understanding the key account customers' needs and their value drivers. (Abratt & Kelly 2002.)

Additionally, enhancing the process of value creation in the key account context is of importance, which can be done by identifying the value drivers and needs of the customers to which the supplier is able to respond (Georges & Eggert 2003). In this chapter, the paper introduces value proposition, the meaning of value in key account management and value proposition design, which is a tool to design and enhance the value proposition that the supplier offers.

2.2.1 Value proposition

In this subchapter value proposition is defined and studied in order to help to understand the concept of value proposition design.

Lanning & Michaels (1988 p. 3) came up with the concept of value proposition. They derived that a business unit promises customers some value, which is a combination of benefit and price. Therefore, a value proposition is offered. Later, Golub et al. (2000) stated that a value proposition should be a clear and simple

description of the tangible and intangible benefits that the company provides along with the approximate price of the service or product that the supplier will charge each customer segment for those benefits. Moreover, every customer of the company should perceive significantly more benefit from the deal than they are asked to pay for.

Johnson & Selnes (2004) have identified that customer relationship characteristics such as customer interfaces, offerings, time horizons, relationship costs, trust, and risk-taking differ in different value propositions. Kowalkowski (2011, p. 190) clarifies that thus, short-term-oriented customers are less willing to co-operate closely and may be better served through value-in-exchange, whereas long-term partners are more likely to consider value-in-use and frequently participate in such joint innovation and learning activities that lead to co-creation. Kowalkowski concludes, that the length and history of the customer-provider relationship should reflect the value proposition, i.e. companies must manage different customers through different value propositions.

A thoroughly thought and developed value proposition has a major role to play as it represents an offering of value meant for engaging, forming and building long-term customer relationships (Payne & Frow 2014, p. 223).

Skålen, Gummerus, von Koskull & Magnusson (2014 p. 154) argue that a value proposition in the service-dominant logic is additionally a promise not only about what but also about how the company, the customer, and other parties co-create value based on the value proposition. The value proposition is created with the help of resources, providing a link between activities and outcomes.

Skålen et al. (2014 p. 149) present that a value proposition consists of ten practises that are grouped into three entities. Figure 7 shows that the three entities are called management and organizational practices, representational practices, and provision practices.

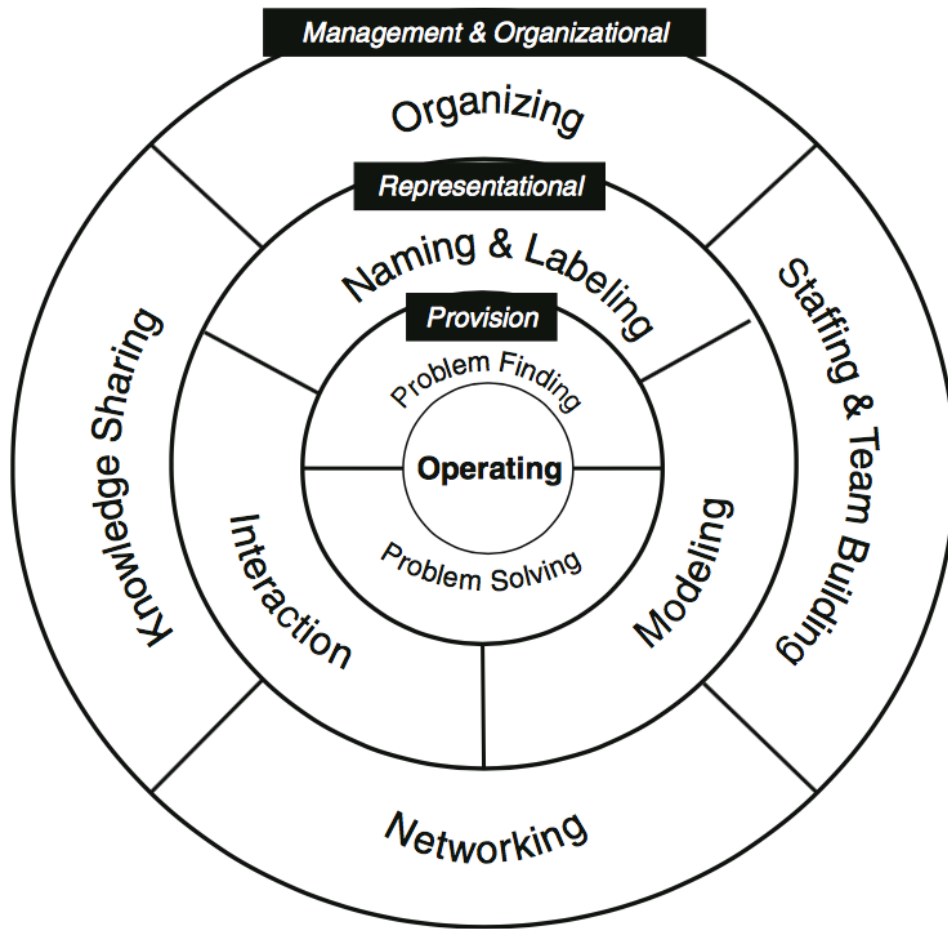


Figure 7. Anatomy of value proposition (Skålen et al. 2014 p. 149)

These practices combine the operant and operand resources into value propositions. Provision practices are the practices planned to directly contribute to the customer's value creation, thus they are found in the centre of Figure 7. Provision practices help to clarify how does the supplier makes sure that the value proposition can be used so that the value-in-use appears for the customer in a way that the company promised. Representational practices express the value proposition, giving it structure and meaning. Additionally, representational practices are used to communicate the value proposition both externally and internally, clarifying what the value proposition means and how it is communicated. The two entities, representational and provision practices, are closely linked. Representational practices describe the value-in-use which the value proposition intends to enable, while the provision practices help both the company and the customer to realise the described value. Naturally, as the management and organisational practices are located in the outline of Figure 7,

they are the ones that support, organise and manage the core practices. The management and organisation practices figure out the answer to how the firm fulfils its part of the proposed value. Finally, when the resources and practices are integrated and stabilised, and a stable relationship exists between the practices, a value proposition is achieved, which benefits the customer's value creation. (Skålen et al. 2014 p. 149.)

To conclude, value proposition plays a major part in any service or product offering since it is the base of how and what co-creates value in for example account management. For example, it can be itemised to different practices and it is important to have a thoroughly thought value proposition since it offers to establish long term customer relationships, which account management is expected to achieve as well.

2.2.2 Meaning of value in key account management

Pardo, Hennerberg, Mouzas & Naudè (2006, p. 1365) have researched the meaning of value in key account management. They state that because of the conditions of value in key account relationship, the interactions need to be separated into three stages: exchange value, proprietary value, and relational value. Exchange value describes the value of key account management activities that are performed by the supplier and experienced by the customer. Proprietary value is the value that the supplier seeks to achieve in the key account management program by its own endeavours. This benefits only the supplier and in some cases the customer may be unaware of being part of the key account program. Lastly, relational value is co-created and experienced by both the supplier and the customer.

Forsström (2005) has done an empirical case study about value co-creation in industrial supplier-customer partnerships. The empirical part was conducted for marine industry companies and thus gives valuable insight into Case company X's case studied in this research. She identified that customers perceive benefits, i.e. value from partnerships with supplier company. Customers expect to have a reliable fleet, shared risks, openness in communication, increased cost efficiency in operations, and joint business development. Customers' main concern as ship

operators is the safety and reliability in operations. This requires partners that are willing to share their specialised expertise and resources with the customer. By co-operating with the supplier, the customer can achieve higher reliability. (Forsström 2005.)

Secondly, the customers feel that when working with partners they trust, they can share the responsibility of the cargo or persons on board, and in the case of an emergency, the supplier needs to be there to support the customer. Additionally, the customers perceive openness in communication as a value that they gain from partnerships with companies through key account management programs. The customer wants to hear about any problems in the same equipment in other parts of the world that their fleet has installed in order to avoid any damage to their fleet. Next, the customers expect to have their equipment operational with maximum efficiency when dealing with the supplier organisation. In other words, they appreciate efficiency in spare parts handling, standardised processes, logistics, and equipment lifecycle optimisation. (Forsström 2005.)

Similarly, the supplier organisation perceives value from key account management. Forsström (2005) has found out that suppliers perceive business security, efficiencies in operations, improved ways of working, new business through product development, public visibility, and reference value. When committing to a customer, the supplier organisation expects to gain business security. In other words, when the account manager is highly involved in the relationship with the customer, he expects a certain predictability of sales and economies of planning.

Secondly, the supplier perceives efficiency in operations similar to the customer. When dealing with a partnership client, a way of working has been established i.e. smoother routines which lead to better pricing, faster payment, smoother order processing, and smoother communication. Next, it has been identified that the supplier organisation can learn new ways of working when working with a demanding customer. Additionally, with these customers demanding more time to be invested there is a possibility for new business through product development, according the study. Lastly, the supplier organisation is able to gain

public visibility and reference value from its most successful and valuable customers. (Forsström 2005.)

As discussed earlier in this paper, the value that key account management generates can be classified into three different types of value: exchange value, proprietary value and relational value. While exchange value and proprietary value are consumed only separately by each party, relational value is experienced by both parties. (Pardo et al. 2005 p. 1365.) This could be described as a win-win situation where both, the supplier and the customer, benefit greatly from doing business with each other. The perceived value was discussed above, which, according to Forsström (2005 p. 139), is different from value co-creation. Perceived value is the estimated value that the relationship could generate before the actual potential has been realised, whereas value co-creation is the actual day-to-day activities carried out within the framework of the supplier-customer relationship.

2.2.3 Value proposition design

This subchapter introduces a tool called value proposition canvas, whose intention is to visualise, develop or improve the value proposition, which then can improve the value experienced by the supplier and/or customer. The value proposition canvas can be used with a product or service, in which case the value proposition consists of systems selling.

Value proposition canvas is a tool to make value proposition tangible and visible. Value proposition describes the benefits that a customer can expect from one's products and services. It has two sides; customer profile and value map. Customer profile clarifies the understanding one has about the customer and value map visualises how one intends to create value to that customer. When the two meet, a "Fit" can be achieved. (Osterwalder, Pigneur, Bernarda & Smith 2014.)

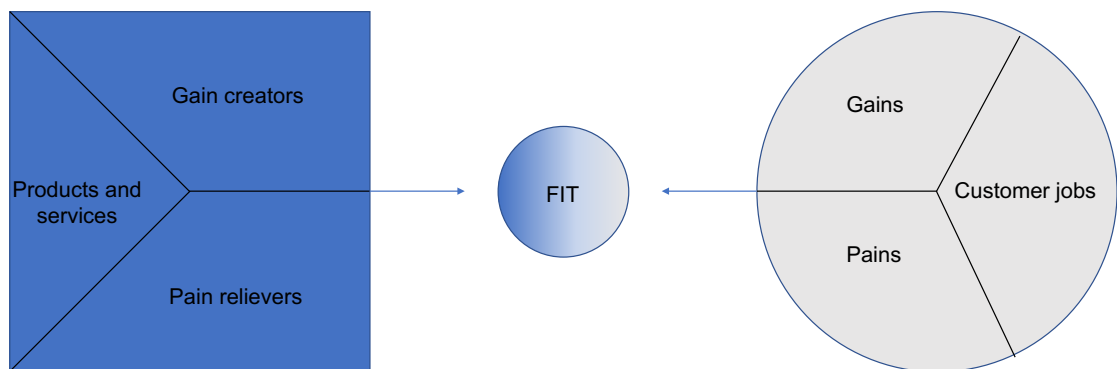


Figure 8. Value proposition canvas (Osterwalder et al. 2014)

Figure 8 visualises the value proposition canvas. The value map on the left-hand side defines the features of a specific value proposition, which is broken down into products and services, pain relievers, and gain creators. In this way value proposition can be seen in a more structured and detailed way. The customer profile on the right-hand side defines the specific customer segment which is broken down to customer jobs, pains, and gains. Similarly, in this way the customer profile can be seen in a more structured and detailed way. (Osterwalder et al. 2014.)

The value proposition canvas is made visible from the Case company X's point of view in chapter 3.2. The information to fill out the canvas was acquired from interview questions.

2.3 Research hypotheses

The objective of the study was to examine the requirements, skills, qualities, competences, and value of a successful account manager in Case company X in the future. After defining key account management and its value, it is possible to form the research hypotheses. The hypotheses are based on the findings presented in subchapters 2.1 and 2.2.

2.3.1 Skills, qualities, and competences of an account manager

Account management aims to establish, develop and maintain a successful and mutually beneficial business relationship with customers. It includes tailoring

product and service packages to customers' individual needs. The goal is a stage where both parties gain value from the efforts for the relationship. (McDonald & Rogers 1998; Pardo et al. 2006; Wengler 2006; Woodburn & Wilson 2014.)

Implementing successful account management can lead to a business relationship that generates relational value. However, successful account management holds many aspects due to its complex nature. The account manager needs to be aware of the role he is playing in the sales process. He is the implementer and facilitator, and his actions are perceived from both the supplier and customer point of view. He needs to manage his time efficiently and be aware that selling is not the number one activity. More important than selling is to develop the customer relationship, take care of the customer projects internally, and develop industry knowledge, strategy, and planning. (McDonald & Woodburn 2007.)

Additionally, to implement successful account management, the account manager requires a certain set of skills, qualities, and competences. Cheverton (2008) states that strategic thinking, strategic influencing, business management, team leadership, team working, innovation and creativity, coordination, managing change, managing diversity, coaching, and political entrepreneurship are required of an account manager. McDonald & Rogers (1998) present that personal qualities, subject knowledge, thinking skills, and managerial skills form an ideal key account manager profile.

Abratt & Kelly (2002) have found out that knowing and understanding the customer's business is crucial in addition to the integrity, ability to relate to customers' culture, interpersonal skills and personality that are required of the account manager. Schultz & Evans (2008) add that focusing on strategic communication topics is of importance to have success. Millman (1996) characterises coordination, planning, external relationship management, internal relationship management, sales and profit responsibility, negotiation, and multicultural teamwork as a requirement for successful account management selling. Mahlamäki (2010) has found out that extraversion, conscientiousness, and agreeableness as a personality trait have a positive effect on the key account manager's job performance.

The following table (Figure 9) summarizes the findings from the literature and thus forms the research hypotheses on what skills, qualities, and competences the account manager should have in order to be successful.

Skills, qualities, and knowledge of an account manager	
Strategic thinking	Product knowledge
Strategic influencing	Understanding of business environment/markets
Business management	Financial knowledge
Team leadership	Legal knowledge
Team working	Computer literacy
Innovation and creativity	Languages/cultural knowledge
Coordination	Creativity/flexibility
Managing change	Strategic thinking/planning
Managing diversity	Boundary spanning (e.g., ability to look from different perspective)
Coaching	Communication skills
Political entrepreneurship	People management/leadership
Integrity	Credibility
Resilience/persistence	Administration/organisation
Selling/negotiating	Likeability

Figure 9. Summary of the research hypotheses of skills and competences of an account manager

2.3.2 Value of an account manager

Value position can be itemised to different practices, and it is the base of how and what co-creates value (Skålen et al. 2014 p. 149-154). Supplier-customer relationships can generate customer and supplier perceived value, which are shown in Figure 10. Perceived value differs from value creation and represents the estimated value that the relationship could generate. (Forsström 2005.)

Pardo et al. (2006, p. 1365) state that value interactions need to be separated into three stages: exchange value, proprietary value, and relational value. Figure 10 shows the potential best-case scenario in relational value between the customer and the supplier. To reach relational value, where both the customer and the supplier co-create and experience value, a thoroughly thought and developed value proposition has a major role to play (Payne & Frow 2014, p. 223).

Benefits: Supplier	Benefits: Customer
<ul style="list-style-type: none"> - Business security <ul style="list-style-type: none"> - sales - price received - predictability - Efficiencies in operations <ul style="list-style-type: none"> - lower warranty costs - lower costs for spare parts handling - smooth routines - ease of communication - Learning new ways of working from demanding customer - New business development through product development <ul style="list-style-type: none"> - new solutions - fun to work with a demanding customer and develop new things - Public visibility - Reference value 	<ul style="list-style-type: none"> - A reliable fleet (pro active and condition based maintenance) - Risk sharing - Openness in communication <ul style="list-style-type: none"> - access to technical information Increased cost efficiency in operations <ul style="list-style-type: none"> - efficiency in spare parts handling - smooth routines - logistics - administration - fuel economies - tailor made service - Joint business development

Figure 10. Summary of research hypotheses of customer and supplier perceived value in industrial supplier-customer relationships according to Forsström (2005)

Additionally, a long-term relationship with the customer is beneficial, and thus companies should manage different customers through different value propositions (Kowalkowski 2001, p.190). Therefore, a tool to increase the value in supplier customer business relationships is essential. Osterwalder et al. (2014) have developed the value proposition canvas, which is a tool to design and improve value proposition to each customer separately.

3 Skills, competences and value of an account manager in Case company X

The objective of the study was to review the literature on key account management and support the literature data with expert interviews. The previous chapter formed the research hypotheses based on the literature. This chapter describes the findings from the expert interviews and the situation in Case company X. Additionally, the current general value proposition of Case company X was visualised as an example using a value proposition canvas.

3.1 Skills and competences of an account manager

In the expert interviews the interviewees emphasized on customer knowledge and aligning the way of working with the customer in the supplier organisation.

The customer knowledge was described for example as knowing the customers' strategic goals, financial situation, service schedule, organisational changes, and key decision makers, for example it was also discussed that in the future account management should be more flexible and proactive. Furthermore, the most important factor is to have a successful business relationship for the future, since products and services may change and then it is important that the account manager is able to build new business on the existing relationships.

The interviewees mentioned skills that are visible in fFigure 9 but also came up with others. Skills that were defined earlier were language, communication, personal skills, leadership, integrity, and commercial sense. Additionally, project management and ability to be flexible towards the customer were discussed. Surprisingly, a homogenous opinion was presented stating that the concept of these skills will remain more or less the same in the future whereas qualities and knowledge play a more major role when trying to implement successful account management.

Opposed to the current situation in Case company X, the interviewees agreed that only basic knowledge of the key products is needed in order to implement successful account management. However, some customers might enjoy that the account manager knows the answer to some niche technical question. Additionally, information system knowledge, industry and market knowledge, vessel process knowledge, and customer knowledge were placed as a requirement. In order to be successful in the future, it was suggested that more in-depth knowledge about the customers' challenges and financial threats are required, i.e. more in-depth customer knowledge. It was also particularly mentioned that there is no need to be an engineer in order to work as an account manager and that the qualities are more important. Lastly, qualities that were named as a key success factor in implementing successful account management were tenacity, patience, problem solver, and logical thinking. Undoubtedly, the most important aspect is that the account manager is able to adapt to the changes that the industry and ways of working are facing, is curious and eager to learn new things to overcome the challenges, engages in self-reflection, and is willing to learn more.

The above-mentioned skills, qualities, and knowledge are required in order to implement account management which aims to create value to both the supplier and customer organisation. Account management aims to establish the supplier organisation as the preferred supplier and part of new building projects. Additionally, the customer organisation comes back repeatedly with whatever issue within the product portfolios of Case company X. From the supplier organisation's perspective, there should also be sales targets that are met through account management. This is successful account management.

3.2 Value proposition canvas

The purpose of the value proposition canvas is to develop or check the current value proposition by pursuing fit between products and services that meet the customer's jobs, pains and gains. To have a successful value proposition, having fit between the offerings of a company and what the customers want is the number one requirement. (Osterwalder et al. 2014, p. 48.) In this chapter, the value proposition canvas tool is made tangible as an example for Case company X. Figure 11 displays the value proposition filled out with the data from expert interviews.

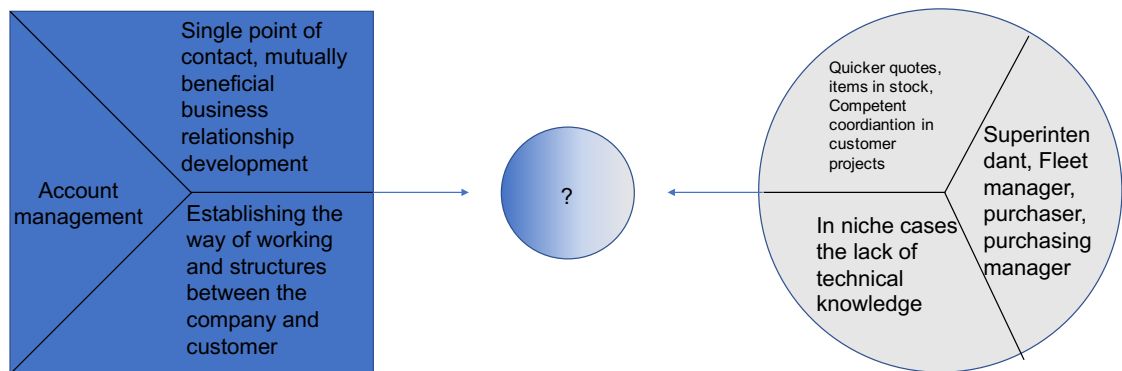


Figure 11. Filled value proposition canvas according to interviewees' general insight

The value proposition canvas in Figure 11 shows that the account management of Case company X is treated as a product or service to allow using the value proposition canvas to visualise the value proposition that Case company X offers to its customers. Moreover, the filled value proposition canvas offers a possibility to examine the current status of the general value proposition of account

management and extend its use to micro level to evaluate the company's customers individually.

As Osterwalder et al. (2014) present the value proposition canvas consists of the value map (left side) and customer profile (right side). When these two meet, i.e. the value proposition offers what the customer wants, a fit is achieved. When interpreting the Figure 11 according to the theory presented by Osterwalder et al., it is noticeable that a fit is achieved to a certain extent.

Customer jobs that surfaced during the interviews were superintendent, fleet manager, purchaser, and purchasing manager. The customer jobs category tries to describe what the customers are trying to accomplish, thus deriving this from the job descriptions is needed. All the jobs have one thing in common, which is to take responsibility of their customers' vessels and buying parts and services up to their customers' expectations. In other words, they try to produce what that their customers expect, look good with them, run the daily job well, and improve the business. Therefore, the customer profile looks as per Figure 12.

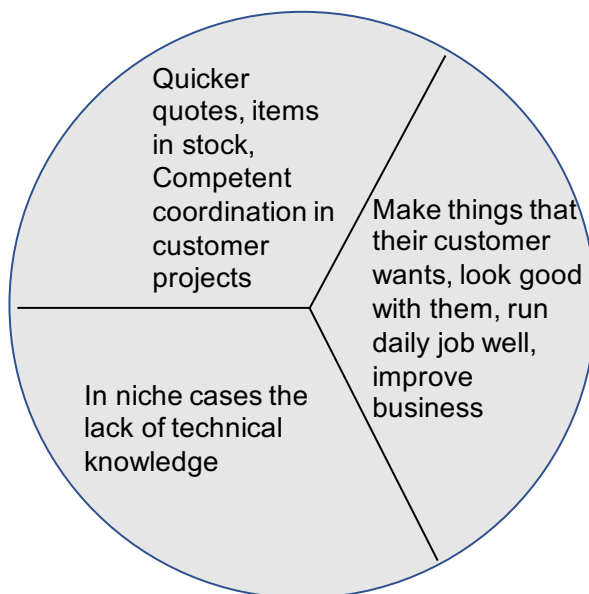


Figure 12. Customer profile of the value proposition canvas

As mentioned above, customer gains describe the benefits and outcomes that the customers want. During the interviews, it was discussed that customers expect of the account manager and the supplier company quicker quotes, items in stock and successful and competent coordination in customer projects.

Customer pains were discussed as well. something that might annoy the customer is that if the customers problem is related to a niche technical problem the account manager might not be able to solve it. Next, Figure 13 visualises how the value proposition of account management at Case company X tries to meet the customers' expectations.

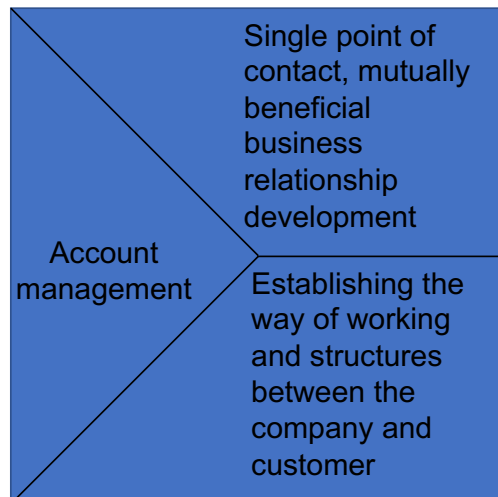


Figure 13. Value map of the value proposition canvas

Figure 13 shows that account management offers as gain creators a single point of contact to customers and mutually beneficial business relationship development. In other words, the customer is able to contact the account manager in any problem or need and the account manager will provide the solution with the help of his organisation. In addition, the account manager tries to work toward a more beneficial business relationship, which is a customer gain when it becomes mutually beneficial.

Account management relieves customer pains by establishing the structures and way of working between the company and the customer involving for example, that the account manager ensures that the stakeholders in his company know how to deal with a certain customer.

As seen in Figure 14, the value proposition of Case company X's account management offers solutions to customers.

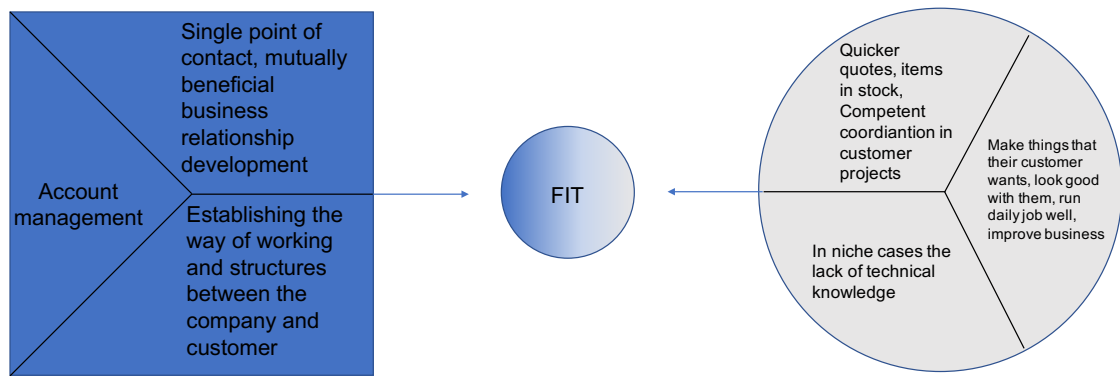


Figure 14. Value proposition canvas of account management based on the expert interviews

A single point of contact allows the customers to discuss future projects with the account manager who then is able to ensure that the project coordination team is up to date about the customer projects to run them smoothly. He is also able to share this information to the service sales support who is in charge of quoting the customers and possibly fast track some of customers. Additionally, the account manager is able to share information inside Case company X about the scheduled service and prepare so that the items are in stock when they are needed during the project.

When the above-mentioned gains are addressed by both parties, this leads to a mutually beneficial business relationship which can develop over time. If a customer faces a situation where the account manager is unable to answer to a niche technical knowledge question, the account manager can ease the pain by involving a person from the account manager's organisation who is able to answer such a question, i.e. sets up the structure and way of working. Therefore, it can be interpreted that a fit between the customer expectations and account management offerings is formed.

In this subchapter, the value proposition canvas has been made tangible and visible as an example for Case company X to see how such a tool could be used to map out the value proposition that can be offered to a certain customer. Osterwalder et al. (2014 p. 266) state that successful value propositions are reinvented while you are succeeding in order to improve your operations and value proposition continuously. Thus, to create a more accurate and versatile value proposition canvas of key accounts or sets of customers, continuous

improvement of the tool can help Case company X to improve the value that their account management offers.

4 Managerial implications

The current situation and understanding of account management in Case company X was presented in the previous chapter. Moreover, a good understanding of what is important for a Case company X account manager to know in the future was achieved as well. Additionally, the value proposition of Case company X's account management was visualised and a glimpse of the value that an account manager generates was acquired. In this chapter, the paper presents the managerial implications regarding the future skills and competences of an account manager and additionally focuses on how to increase the generated value to customer and Case company X to achieve the relational value stage, where value is co-created and experienced by both parties (Pardo et al. 2006, p. 1365).

4.1 Implications for Case company X

Case company X's service sales process relies hard on the account managers and senior account managers who are the first point of contact when the supplier deals with the customer. Naturally, to successfully take care of the said sales process, the account managers require a certain set of skills and competences. Case company X should generally look for the skills and competences that are presented in Figure 9, but still more research is required on which skill is more important than the other. Figure 9 summarises the skills and competences of an account manager as presented by various scholars.

Moreover, the interviewees identified out the most relevant skills for Case company X. The homogenous opinion was that the actual skills that the account managers hold will remain the same through the near future, and the qualities and knowledge are the keys to successfully implemented account management. In practice, this means that the account managers should be tenacious, adaptive and patient when developing the customer relationships, and not necessarily engineers with niche expertise about the products. They need to be up-to-date

about the maritime industry trends and, most importantly, be up-to-date about the customer side, their strategic goals, financial situation, service schedule, organisational changes, and key decision making. This means that Case company X can only find roughly suitable candidates, who then can be instructed and trained for the position by the eventually former account managers.

Successful account management is almost impossible to measure in terms of skills and competences or other qualities. To implement successful account management, Case company X could define successful account management in terms of sales targets for individual accounts/customers, for example. The current account managers need to find ways to develop more value into their account management, which then leads to a value proposition canvas, the tool presented in chapter 3.2, which can be of use.

Switching the mind-set of account management from the current approach where the skills and competences of an account manager are the sole factor deciding if account management is successful, to a mind-set where certain initiatives towards a certain customer can make account management successful can help eliminate the question of what the skills and competences will be needed in the future, since future is very hard to predict. In other words, account management is treated as a product that helps to solve the customers' problems, i.e. what value account management brings, what the value proposition of account management is?

There are countless of ways to form a value proposition but the one used in this paper proved to be very simple and effective. In chapter 3.2 a general way to use the value proposition canvas was presented and a general notion of the current status of the value proposition of account management was achieved. In order to make the business benefit from using this, the account managers should carefully use the canvas to map out the value proposition to each customer individually.

4.2 Developing the value creation process

Saarijärvi, Kannan & Kuusela (2013) suggest that the value creation process can be developed through value co-creation mechanisms. In practice, this could mean forming smaller key account management programs for smaller customers.

Payne, Storbacka & Frow (2008) have already thought about planning unique value propositions to individual customers in order to increase value. Moreover, several other ways to increase the value of the business relationship was presented in literature.

Case company X can implement various actions to have their account managers to work towards better value creation. Gounaris & Tzempelikos (2014) make a notion about managerial time. According to them, serious investment should be made to contribute to the account management sales process in addition to monetary resources to increase the value of account management. Additionally, Venkat (2009) adds that management at all levels should be invested in to co-create value. He emphasizes that managers with an understanding of the broad direction of the supplier company should contribute as well to adjust the co-creation to provide the wanted results. As mentioned above, this could mean for example sales targets from a certain customer.

Bowen (1986) and Graf (2007) state that the customers are better prepared to fulfil their role in value co-creation when they are properly guided and communicated with. Verleye (2015) adds that communication and guidance are crucial so that the value co-creators (customers) do not experience failure. In practice, this means that the customers should be kept up-to-date of changes in timetables as well as mishaps inside the supplier company. Eggert & Helm (2003) have empirically proved that relationship transparency is beneficial to customer perceived value and satisfaction. Case company X should keep these in mind in order to pursue better value creation with the customers.

Additionally, HoAM SAMA (1998) have successfully developed their processes with their customers by proactively identifying process development opportunities in the customer relationship with some experts from both sides and the benefits were shared between the parties. Forsström (2005) reminds that it is a management decision whether a certain customer relationship is pursued or not, i.e. which customer is potential and worth pursuing. Thus, the management should be the one to show the green light and back the account managers up when they start their value development process.

Opposing opinions exist as well when Gosseling & Bauwen (2006) argue that there are only two possible outcomes in sustainable customer relationships: either there is external uniformity or alignment towards carefully selected important customers, or then the supplier company focuses on efficiency and the supplier is internally aligned to optimise their offered value to a maximum number of customers with the least effort.

Ideally, the situation would be that a correlation can be seen between the investment in the value development of account management and generated sales. As seen above, this requires managerial time investments, some changes in ways of working and enormous investment by the account managers to commit to this. The change to this kind of a mindset will not probably happen unless the development of value in account management is considered in a strategic level. In other words, the change should be led with an example and from above, and this will happen when value in account management is a strategic issue.

This chapter summarized the findings from the study and provided managerial implications that Case company X can utilise in their pursuit of successful account management. The competences of an account manager will most likely remain the same, whereas qualities such as adaptiveness will come to play a major role in the post-digitalisation era. Additionally, thinking that the skills and competences of an account manager are the key to successful account management is not necessarily the case since there can be other ways to inspect the supplier customer relationship itself to find the way to success. Therefore, forming a tangible value proposition can help, and the tool called value proposition canvas was provided in order to get started with developing value propositions.

5 Conclusions

The aim of this paper was to find out about the future skills and competences of an account manager for Case company X. The study provided answers to the original research problem and shed light also on a newly surfaced field, value of account management. The theoretical framework laid the foundation for the study, which was complemented with expert interviews. Additionally, the value of account management was researched. A variety of skills, qualities and

competences, presented by many authors, could be divided into personal qualities, subject knowledge, thinking skills, and managerial skills. Additionally, in the role of an account manager all actions should have a business purpose or otherwise it is a waste of time. Value has a major business purpose and thus the value of account management should be considered as well. The supplier and the customer can perceive value from the business relationship and the value can be developed by using different methods, for example treating account management as a product and using the value proposition canvas to offer each customer or customer group individual value.

Case company X had a good understanding about the skills and competences of an account manager. The expert interviews confirmed that, as many scholars had argued, for example language skills, interpersonal skills, leadership, integrity, and commercial sense are important for an account manager. Additionally, project management and flexibility towards the customer came up in the empirical part of the research, which indicates that more up-to-date research about key account managers should be done.

Managerial implications were provided for Case company X. It was derived that investing in the actual customer relationship development might be more important than the actual skills and competences of an account manager. Tracking and measuring value can be a solution for this. This study was conducted from a single company point of view and the research sample only consisted of a few account managers from the Case company. Thus, to gain more insight into the value and value proposition of account management, further research is required, which should be done with larger a sample. Additionally, the value creation process of the account management should be researched as a strategy to increase sales and how it is lined with the strategy of a company.

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Appendix 1 Interview questions

Interview questions

How long have you worked as an account manager during your career?

What is your educational background and working experience?

- How has your past experience affected your performance as an account manager?

What does account management mean to you?

How would you define successful account management?

Which three activities you consider as the most important currently for an account manager?

- How will they change in the future?

What knowledge is required from the account manager currently?

- How about in the future?

Which skills are needed to implement successful account management currently?

- How about in the future?

Which qualities are needed to implement successful account management currently?

- How about in the future?

How has account management changed during your career?

- How do you think it will change in the future?

How would you define the value that account management offers to customer? To the case company X?

- How would you define it in the future?

If you currently work as an account manager please answer the following questions:

How would you describe the value proposition of your account management?

What is the most usual customer job description that you deal with?

What would help to make your customers' daily job easier?

What is the most usual challenge that customers encounter when dealing with an account manager?

What can you offer to the customer with account management?

How can you as an account manager help to make your customers' daily job easier?