Introduction

Managing strategic customers embraces the process of identifying the firm’s current and future critical customer assets and putting in place management systems designed to increase revenues and profits through enhanced customer loyalty.¹ Because strategic accounts are so important for the firm’s future, the overall manner in which it addresses them is a serious issue worthy of top management concern. Indeed, as management develops strategy for a particular marketing arena, it may discover that its success or failure depends largely on the results it achieves with a few strategic customers.

Good strategic customer management requires consideration of several complex elements in an overall management process. It is not simply a matter of appointing a few strategic account managers or introducing a strategic account planning system. Rather, the firm must consider several interconnected areas that we lay out in the strategic account congruence model: Strategy, Organization, Human Resources, and Systems and Processes.

Leading and managing successfully in the context of the strategic account congruence model is not a simple matter. The firm achieves success if, and only if, senior corporate executives fully understand the issues involved in managing strategic accounts, and are prepared to put in place the organizational, technological, financial, and human resources necessary to address them on a long-run basis.

For many years, strategic customer management was confined within-country boundaries, but increasing globalization is impacting management practice. Specifically, as customer firms increasingly request global contracts and require global servicing, many suppliers are developing global account management programs and appointing global account managers. In this course, we address strategic account programs at national, regional (multi-country), and global levels.

¹ The terms strategic account and key account are interchangeable.
Relationship to the Core Curriculum

This course follows directly from the Marketing core courses, B7601 and B7602 (B6601, B6602). In these courses, students learn about the centrality of customers to the future of the organization. B7650 extends the ideas developed in those courses and focuses on the organization’s most important customers – current and potential.

Course Description

We explore the process of selecting, attracting, growing, and retaining strategic customers. We use a framework that encompasses the critical decisions in managing strategic accounts, and examine specific practical tools like writing strategic account plans and developing and managing inter-organizational relationships across functions, geographies, and management levels. Students secure ready-to-use, take-away materials.

Through real-life situations from various industries, we examine barriers to implementing strategic account management, as well as approaches to overcoming them. Selected and highly experienced guest speakers lend their expertise to the class. You encounter persons who perform key roles in strategic account management, including strategic account managers and directors of strategic account programs.

Topics discussed in the course include:

- Identifying, analyzing, nominating, selecting, and deseleting strategic customers;
- Developing tailor-made strategic customer strategies;
- Developing consistent products and services for strategic customers;
- Preparing for global pricing;
- Recruiting, selecting, training, and retaining strategic account managers;
- Building and maintaining long-term strategic relationships;
- Leading without authority;
- Developing a winning strategic account plan;
- Making multifunctional strategic account teams more effective;
- Managing and compensating strategic account teams;
- Aligning organizational structures in a strategic account context;
- Collecting and disseminating knowledge across functional and national borders;
- Employing strategic account IT systems and strategic account knowledge management;
- Using CRM technology in strategic account programs;
- Measuring the performance of strategic account programs;
- Allocating strategic account management resources effectively;
- Developing strategies for long-term success with global customers;
- Securing top management support for the strategic account program.

Course Project

The major course assignment is presentation of your analysis and recommendations of a real-life strategic account management issue. You identify a focal organization and the issue. (The professor will assist in company identification if requested.) Your job is to clarify the problem, identify and analyze the various factors impinging upon the problem, develop a small set of options together pros and cons for
each option, make a recommendation, and lay out an implementation plan. You work in small teams (maximum four members). There are two deliverables:

- Term paper that encapsulates the project. This paper may be delivered in the form of a Word document OR as a rich PowerPoint
- PowerPoint presentation that you make to the class.

Note: If you chose to prepare your term paper in the form of a rich PowerPoint document, your PowerPoint presentation may be a subset of this document. You are encouraged to invite organizational representatives to your class presentation. There is no final examination in this course.

In summary, the thorough understanding of the strategies, organization structures, human resources, and processes, systems, and tools for managing strategic accounts that you address in this course will enable you to hit the ground running in the next stage of your business career.

Course Outcomes
The fundamental course outcome is to have you become so familiar with modern strategic account management that you are able to play a valuable account management role immediately upon graduation. In particular, the course is designed to:

- Provide insight into the role and tasks of the strategic account program director
- Provide insight into the role and tasks of strategic account managers
- Enhance the knowledge and skills necessary to acquire, grow, and retain strategic customers,
- Become familiar with a governance model for strategic accounts, including practical work with selected planning and execution tools;
- Be aware of the barriers to implementing strategic account programs, and learn approaches to overcoming those barriers
- Discuss the preceding issues with seasoned practitioners in strategic account management.

Class Experience
Columbia Business School students face many pressures, especially for their time. Regardless, the learning process in this course requires reasonable preparation. For some classes, students are asked to watch videos that they should be prepared to discuss in class. Students assigned to present should summarize what they have learned and identify four-to-six questions to which they would like answers; they should deliver a printed version of these questions to the professor at the start of their presentation. Videos marked †* are on Canvas; students find videos market †† at www.ocodes.com.

For other classes, students are expected to prepare a case study and be ready discuss issues in the case along the lines of:

- Scoping out the problem
- Analyzing the situation
- Identifying options
- Making a recommendation

For background, read The Case Method in Marketing Management. For cases marked by an asterisk “*”, each student should send his/her analysis to Professor Capon, <nc7@columbia.edu> by 1.00 p.m. on the day preceding the class – one page maximum. (The file name should include you're name and the
case name.) As a general rule, for each case, the professor will preselect one or more students as lead presenters: following these presentations, other students will be expected to participate in the discussion. Students who present a case may turn in a jointly authored analysis. Note: Open laptops are prohibited during class time; students should display name cards for every class.

Course Materials
Course materials comprise selected books and a cases/readings package. Note: most cases are in Book 2; a few cases are in the cases/readings package:

Relevant books for the course are:

All printed books are available from both [www.axcesscapon.com](http://www.axcesscapon.com) and [www.amazon.com](http://www.amazon.com). Books 1, 2, 4, and 5 are also available from [www.axcesscapon.com](http://www.axcesscapon.com) as pdf downloads; Book 4 is also available as an audio book. Students should plan on reading Books 1 and 3 early in the semester. Book 2 will be used throughout the semester.

Grading
Grades are assigned as follows:
- Class participation (individual) 40%
- Term Paper (group) 60%
Class Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td></td>
<td>Pre-course Assignment Prepare <em>The Case of the Pricing Predicament</em> (Readings)</td>
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<tr>
<td></td>
<td>Prepare <em>Building Materials, Inc. – Organizing for strategic accounts</em> (Book 2)</td>
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<tr>
<td></td>
<td>Read Book 3 – Chapter 1, Book 4 – Chapter 1</td>
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<tr>
<td></td>
<td>Read <em>The Case Method in Marketing Management</em></td>
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Saturday
September 6
8.30 – 11.30 a.m.
Class 1

Course introduction
*Case: The Case of the Pricing Predicament*

**Strategic Account Management in Context**
- Making the case for strategic account management
- Strategic account management: What it is and what it isn’t
- Why companies need a SAM program: Evidence and examples
- What strategic customers expect from high-performing suppliers

*Case: Building Materials, Inc. – Organizing for strategic accounts*

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Pre-class Assignment
††Review video: *Making the Case for Managing Strategic Accounts*
HQ
http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/2ec7998a-168d-4265-888c-6f42670a5e8d
LQ
http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/2ec7998a-168d-4265-888c-6f42670a5e8d/media.m4v

Read Book 1 -- *Sales Eats First*
Prepare to discuss *Sales Eats First*

Friday
September 26
12.30 – 3.30 p.m.
Class 2

The Organizational Context for Managing Strategic Accounts
*Sales Eats First*: students to be assigned

Getting Started with Managing Strategic Accounts -- 1

Guest Speaker: Steve Howell, Group Vice President – Sterling Infosystems, Inc.

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Pre-class Assignment
Read Book 3 – Chapter 9
Prepare *Transforming Procurement at Merck: Beyond Purchase Management* (Book 2)

††Watch Howard Richman interview video (www.ocodes.com v402)

Term project: form teams for and select topic – email to professor

**Friday**

**September 26**

12.30 – 3.30 p.m.

Class 3

**The Changing Face of Procurement**

**Case: Transforming Procurement at Merck: Beyond Purchase Management**

**Guest speaker:** Howard Richman, Managing Member Levelfield Enterprises, LLC

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**Pre-class Assignment**

Prepare *Tetra Pak (A)*

Read Book 3 – Chapter 3


**Saturday**

**September 27**

8.30 – 11.30 a.m.

Class 4

**Getting Started with Managing Strategic Accounts -- 2**

**Case: The Tetra Pak case series**

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**Pre-class Assignment**

Prepare *Anglo-India -- Delivering value to strategic accounts* (Book 2)

Prepare *Jeremy Edwards -- Delivering value to strategic accounts* (Book 2)

Prepare *Contact, Inc. Delivering value to strategic accounts* (Book 2)

††Watch video *Developing a Robust Framework for Customer Value*


LQ http://www.kaltura.com/index.php/extwidget/preview/partner_id/24852/uiconf_id/8755511/entry_id/1_o uz06l9e/embed/legacy?

Read Book 3 – Chapter 9; Read Book 4 – Chapter 10

Prepare One-page outline of term project – bring to class -- including:

- Company name
- Type of business
- Background on strategic account management program
- Strategic account management issue to be studied
- Key contacts at the firm
Saturday
October 10
8.30 – 11.30 a.m.
Class 5

Delivering Value to Strategic Accounts: students to be assigned
Case: Anglo-India -- Delivering value to strategic accounts
Case: Jeremy Edwards -- Delivering value to strategic accounts
Case: Contact, Inc. Delivering value to strategic accounts
Discuss Term Project – Individual Groups meet with Professor

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Pre-class Assignment
Read Book 3 – Chapters 2 and 7; Skim Chapters 5 and 6
Book 4 – Chapter 5
Skim Book 5
††Watch video Strategy for the Strategic Account Program

HQ
http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/d5478c62-cdda-433d-9369-c8fc0a70b199
LQ http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/d5478c62-cdda-433d-9369-c8fc0a70b199/media.m4v

††Watch video Planning and Strategy for the Strategic Account

HQ
http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/17a88b0a-34df-41ab-a580-e3ad31d47bcb
LQ
http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/17a88b0a-34df-41ab-a580-e3ad31d47bcb/media.m4v

Prepare Ohio, Inc. – Conflict among strategic account types (Book 2)
Prepare Rudi Thomas – A strategic account action program (Book 2)

Saturday October 11
12.30 – 3.30 p.m.
Class 6

Guest Speakers: Mark Heil, Regional Account Director, Cisco
Emily Crawford, Regional Sales Mnager, Cisco

Formulating Strategy for Strategic Accounts
• The strategic account program: Will Fang, Ajay Srivatsavai
• An individual strategic account: Taylor Just, Shamsudeen Mustafa

Case: Ohio, Inc. – Conflict among strategic account types
Case: Rudi Thomas – A strategic account action program

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Pre-class Assignment
Prepare Van Leer Packaging: The TOTAL Account (A) and (B)* (Readings)
1. What are Van Leer’s prospects for winning the Total account?
2. What makes you think that Van Leer:
   a. will win?
   b. will not win the Total business?
3. What factors have led to this state of affairs?
4. What should Van Leer do?
Prepare *Software Consulting, Inc.* (Book 2)
Read Book 3 – Chapter 3
Read Book 4 – Chapter 6
††Watch video *Designing the Line Organization for Managing Strategic Accounts*

HQ

LQ
Part 2  [http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/c58174a7-26f1-490d-a521-e03da5448407/media.m4v](http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/c58174a7-26f1-490d-a521-e03da5448407/media.m4v)

**Saturday October 25**
3.45 – 6.45 p.m.
Class 7

Organizing for Managing Strategic Accounts: students to be assigned

*Case: The Van Leer Packaging case series*

Case: *Software Consulting, Inc.*

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Pre-class Assignment
Prepare to meet with Professor to discuss term project

**Friday November 7**
12.30 – 3.30 p.m.
Class 8

Guest Speaker: Pamela Norley, Executive Vice-President, Fidelity Enterprise Relationships and Talent Groups

Class Projects: Individual Groups meet with Professor

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Pre-class Assignment
Read Book 4 – Chapter 4
Read for background: *Strategic Account Management at Siemens: The Executive Sponsor Program* (Book 2)
††Watch Hajo Rapp video ([www.ocodes.com](http://www.ocodes.com) v1704)

**Friday November 21**
3.45 – 6.45 p.m.
Class 9

World-Class Strategic Account Management

Guest Speaker: Hajo Rapp, Head of Account Management Office Siemens AG

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Pre-class Assignment
Read Book 3 – Chapter 4; Book 4 – Chapter 7
**Saturday November 22**

**Building and Sustaining Strategic Account Relationships**

**Guest speaker:** Gus Maikish, IBM (ret.) Managing Director, Citibank

**Case:** Jack Adams

**Case:** Martin Schleicher

**Case:** Janet Marsden

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**Pre-course Assignment**

Prepare *DHL* (Book 2)

Read *A Primer on Managing Global Accounts* ([www.ocodes.com](http://www.ocodes.com))

Read Book 4 – Chapters 2 and 9


††Watch video *Strategic Account Governance*

**HQ**

[http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/e6b33ba3-83c5-4e0c-a98b-0fc4b101f1b4](http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/e6b33ba3-83c5-4e0c-a98b-0fc4b101f1b4)

**LQ**

[http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/e6b33ba3-83c5-4e0c-a98b-0fc4b101f1b4/media.m4v](http://cbs360.gsb.columbia.edu:8080/ess/echo/presentation/e6b33ba3-83c5-4e0c-a98b-0fc4b101f1b4/media.m4v)

Prepare questions for the Professor; at least one per student

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**Friday December 5**

**Strategic Account Governance:** students to be assigned

**Managing global accounts**

*Case: DHL*

**Ask the Professor**

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**Pre-course Assignment**

Prepare Project Presentations

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**Saturday December 6**

**Student Project Presentations**

**End of Course**