

Managing Global Accounts

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Questions & Answers

*(answers given in **bold**)*



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Section 1: Chapter 1 – Making the Case for Managing Global Accounts

1. *What is the single critical asset all firms must have to be successful?*

- Great products
- Great service
- **Customers**
- Good marketing research
- First-rate operational capabilities

2. *Which distribution of customer revenues best captures the idea of skewed profit and CLV distributions?*

	Percent revenues	Percent customers
a.	50	50
b.	70	30
c.	80	20
d.	60	40
e.	95	5
f.	Other	30

3. *In what way(s) is the traditional on-the-road sales force evolving?*

- Sales force getting bigger
- Sales force getting smaller
- Strategic account managers focused on the largest customers
- **Strategic account managers assigned important current AND potential customers**
- **Firm uses less costly methods to reach smaller customers**
- Sales training budgets increasing
- Other

4. *What are the major categories of pressure on the traditional sales model discussed so far?*

- **Industry**
- **PESTLE**
- **Globalization**
- **Increased selling costs**

5. *What is the meaning of the Acronym PESTLE?*

- P **Political**
- E **Economic**
- S **Sociocultural**
- T **Technological**
- L **Legal/regulatory**
- E **Environmental (physical)**

6. *Identify four core factors driving globalization.*

- **Political belief that trade is “good”**
- **World Trade Organization**
- **Competitive home-market pressures**
- **Opportunities in emerging markets**
- **Improved global communications**
- **Improved global transportation**

7. *What are the major categories of customer pressure the firm faces?*

- **Increasing account concentration**
- **Affirmative reduction in number of suppliers**
- **Rising importance of procurement**
- **Changes in the procurement process**

8. *Identify three main reasons why firms reduce their supplier bases.*

- **Reduction of input costs**
- **More consistent product quality**
- **More consistent service in multiple geographies**
- **Closer supplier relationships**

9. *Identify four changes in procurement practices that are currently occurring.*

- **More effective strategic sourcing**
- **Broader scope of responsibilities**
- **Centralization**
- **B2B exchanges**
- **Strategic decision-making**
- **Insistence on interface simplification**

10. *Identify four approaches to addressing small accounts.*

Selling

- **Part-time sales force**
- **Shift to telesales**
- **Assign to agents/distributors**
- **Outsource selling effort**
- **Alliances**

Non-Selling

- **Traditional direct marketing**
- **Electronic contact – e-mail, websites**
- **Raise prices**
- **Stop serving**

11. **What are the components of the congruence model?**

- **Strategy**
- **Organization structure**
- **Human resources**
- **Systems and processes**

12. Do you agree or disagree with the following statements?

- The firm's global account program should focus only on its largest customers.
☐ Agree ☒ **Disagree**
- In selecting global accounts, profitability is a relatively unimportant criteria.
☐ Agree ☒ **Disagree**
- Close relationships between the firm and its global accounts should enhance shareholder value.
☒ **Agree** ☐ Disagree

Section 1: Chapter 2 – Developing a Robust Framework for Customer Value

1. *With which of the following value aspects should the global account manager be intimately involved (regardless of whether s/he is intimately involved in producing that value aspect)?*

- Create value
- Measure value
- Partition value between the firm and customer
- Communicate customer value
- Deliver value
- Get paid for delivering customer value

As many as it takes — could be all of them

2. *Which, if either, of the following would you advocate?*

- Provide high value to the global account, low value to the firm
- Provide high value to the firm, low value to the global account

Neither of the above. The only reasonable place to aim for is:

- **Provide high value to the global account AND high value to the firm.**

3. *For higher customer satisfaction, which of the following statements is correct?*

- Perceived value = expected value
- Expected value > perceived value
- **Perceived value > expected value**

4. *What are the four elements of positioning?*

- **Customer target**
- **Competitor target**
- **Value proposition**
- **Reason to believe**

5. *When addressing individual members of a decision-making unit, the global account manager should offer identical value propositions. True or False?*
- ☐ True ☐ **False**
6. *With what types of value proposition should the global account manager be concerned?*
- **Organization**
 - **Revenue opportunities**
 - **Individuals**
7. *In the force field analysis, on which of the following should the global account manager place efforts?*
- Enhance resisting forces
 - Eliminate activating forces
 - **Convert resisting forces to activating forces**
 - **Enhance activating forces**
8. *Which of the following statements is true?*
- The firm's global accounts should always be direct customers.
 - Influencing organizations should never be global accounts.
 - **Many different types of organizations can be global accounts.**
9. *Name five separate roles an individual may play in the decision-making unit.*
- | | |
|-------------------------|-------------------------------|
| • Decision maker | • Buyer |
| • Influencer | • User |
| – spoiler | • Information Provider |
| – champion/sponsor | • Sponsor |
| • Specifier | • Coach |
| • Gatekeeper | |
10. *The global account manager said: "I just finished the relationship map for my global account. It's comprehensive, rigorous, and up to date. It was a lot of work but I won't have to worry about it for a couple of years." Do you agree with the global account manager? Why, or why not?*
- Do not agree. Things change:**
- **Individual personal evolution – responsibilities change**
 - **Evolving customer decision-making unit**
 - **Customer problem changes – different personnel**
 - **Personnel change accounts**
11. *Name three types of value a global account manager can add to an individual relationship.*
- **Inspiration-related**
 - **Task-related**
 - **Position-related**
 - **Relationship-related**
 - **Personal**

12. *The global account manager is highly limited in the areas in which s/he can add value to the customer. Do you agree? Why, or why not?*

Do not agree. The account manager should chart out the many places where the firm does (or could) interface with the customer. Each of these interfaces may represent a potential opportunity to add value.

13. *The global account manager said: “My core job is to make sure that I can meet my account’s expectations. If I can make sure that occurs then I’ve done my job.” Do you agree with the global account manager? Why, or why not?*

Do not agree. The global account manager should also spend time to:

- **Develop solutions to the account’s existing problems.**
- **Solve new or unrecognized problems.**
- **Identify new revenue and profit opportunities for the customer.**

14. *Identify a product or service.*

- *What are its attributes?*
- *What benefits do these attributes offer customers?*
- *What values do these benefits offer customers?*

Use the attribute/benefit/value ladder. Share your ideas with a colleague and discuss.

15. *Do you agree with the following statements? Why, or why not?*

- Psychological value is always more important than economic value. **Disagree**
- Functional value is always more important than psychological value. **Disagree**
- Functional value and economic value are equally important. **Disagree**
- The relative importance of functional, economic, and psychological value depends on the situation. **Agree; situations differ**

16. *The global account manager said: “My customer always thanks me when I deliver value, so it’s not important to keep a record.” Do you agree with the global account manager? Why, or why not?*

Do not agree. Customers forget. Periodically, the global account manager must remind customers of the value his/her organization delivers.

Section 2: Chapter 3 – Strategy for the Global Account Program

1. *Which of the following is true?*

A critical job for the global account director is to:

- **Design the global account program strategy.**
- Manage relationships with global accounts.
- Support the global account initiative.

2. *We are a multinational business unit in a multinational firm. We operate a successful global account program; some of our sister business units do the same. Top management thinks the firm should develop a global account program at the corporate level. Do you think such an approach could have any value?*

The critical issue is customer overlap. If there is no overlap across business units, the current arrangement may be fine. If there is significant customer overlap, benefits may accrue to both supplier and customer by implementing a corporate-level program. Customer executives often want to discuss future collaboration on a corporate-wide basis, not just business unit to business unit. Furthermore, a corporate focus may unearth opportunities that individual business units would not identify.

3. *How would you characterize the vision and objectives of a global account program?*

- **Vision provides focus and direction for the global account program.**
- **Program objectives focus on the role the global account program plays within the firm, specifically regarding percent/level of revenues and profits.**

4. *For all of our strategic accounts — global, regional, and domestic — we should set strategic objectives. For customers that do not fall into the strategic category, we should only form operational objectives. Do you agree? Why or why not?*

Disagree. The type of objective has nothing whatever to do with the type of customer. Strategic objectives state the broad type of results the firm wishes to achieve; operational objectives focus on how much and by when.

5. *We just realized how important global accounts are to our business. We are going to implement a full-scale program in Q1 next year.*

- Do you agree with this approach? **(No)**
- What could be the pitfalls? **(Any problems will be magnified across the organization and will be highly visible within the firm.)**
- What approach would you advocate? **(Build up slowly; learn from mistakes.)**

6. *Branding is a topic for our marketing department. Branding has nothing to do with managing global accounts. Do you agree? Why, or why not?*

Disagree. Branding is very important externally but it can also be very important internally in focusing organizational resources on the firm's critical assets – its global accounts.

7. *Why should the firm consider an internal branding program for the global account program?*

- **Build commitment to the program**
- **Ensure that global accounts receive priority**

8. A global account manager said: "Periodically, top managers visit my global account. I rarely get to brief them, and they rarely advise me about the nature of their conversations. I guess this is the only sort of relationship top managers can have with the firm's global accounts." Do you agree? Why, or why not? What is the full set of roles top managers can play with global accounts?

Disagree. This type of relationship is often called *loose cannon* or *seagull*. Other roles that top managers may play are:

- Not my problem
- Deal maker
- Social visitor
- Growth champion

9. Identify four areas in which top management can demonstrate commitment to the global account program by the way it treats global account managers.

- Compensation
- Empowerment
- Expenses
- Reporting relationships
- Technical support

10. Which of the following types of firm could be appropriate for forming a global account relationship?

- Complementary supplier
- Direct customer
- Indirect customer
- Influencing organization

All of them

11. Name three types of relationship a supplier may have with a large customer.

- Vendor
- Quality supplier
- Partner

12. Which of the following situations is most appropriate for forming a supplier-customer partnership?

- Customer importance – high; supply risk – low
- Customer importance – low; supply risk – low
- **Customer importance – high; supply risk – high**
- Customer importance – low; supply risk – high

13. Why is it important to implement a formal process for nominating customers to the global account program?

To head off internal pressure from senior executives to place their favorite customers in the program.

14. One approach to nominating customers as candidates for a global account program is to identify the firm's largest customers via a top-down process. Do you favor this approach? Why, or why not?

Not as the entire process. The firm should consider accounts for the program even if current revenues are low. Also the *top-down* approach should be married with *bottom-up* suggestions and recommendations.

15. *How would you go about selecting global accounts from a set of nominated accounts?*

The firm should focus on two key areas: account attractiveness and business strengths.

Placing each candidate account in a chart formed from these dimensions greatly eases the selection process.

Section 2: Chapter 4 – Strategy for the Global Account

1. *Regarding global account management, how do you distinguish the roles of:*

- **Top management (Invest in and support the global account program)**
- **Global account director (Design and implement the global account program)**
- **Global account manager (Plan and execute strategy at an individual global account)**

2. *Which of the following activities are important for the global account manager to do well?*

- **Help develop and align with the global account's strategy**
- **Embed the firm in the global account's strategy**
- **Expand the size and variety of the global account's wallets**
- **Secure relationships at multiple functions and levels within the global account**

All of these

3. *What important processes should the global account manager implement at the global account?*

- **Planning**
- **Governance**

4. *In the global account strategy, how do you distinguish between vision and mission?*

- **Vision identifies broadly how the firm will treat the global account.**
- **Mission identifies where and how the firm will seek revenues at the global account.**

5. *The global account manager must set operational objectives for the account. These objectives are qualitative and directional. Do you agree or disagree? Why?*

Disagree.

- **Strategic objectives are qualitative and directional.**
- **Operational objectives are quantitative and time dependent.**

6. *The strategic focus identifies several areas for global account managers to improve performance at the global account.*

a. What are the four options to increase sales units?

- **Reduce business loss**
- **Increase use**
- **Attract from competitors**
- **Identify and develop new wallets**

b. What are the four options to improve margins and investment returns?

- **Improve prices**
- **Improve the sales mix**
- **Reduce operating costs**
- **Improve asset utilization**

7. What are the four elements of positioning?

- **Customer targets**
- **Competitor targets**
- **Value proposition**
- **Reason to believe**

8. What types of action program should the global account manager design?

- **Strategic**
- **Relationship-building**

9. What critical questions should the global account manager be concerned with regarding resource commitments?

- **Who**
- **What**
- **Where**
- **When**
- **How**
- **How much**

Section 3: Chapter 5 – Designing the Organization Structure

1. What are the three broad dimensions for organizational design?

- **Product/business**
- **Geography**
- **Customer**

2. Identify four factors that reflect GAM reporting relationships.

- **Depth of organizational commitment**
- **Degree of GAM's organizational influence**
- **GAM's ability to secure scarce resources**
- **GAM's ability to make pricing decisions**
- **Firm's ability to pay GAMs**
- **Firm's ability to attract high-caliber employees to GAM positions**

3. *Identify three requirements that global accounts often place on their global suppliers.*
 - **Global price transparency**
 - **Price harmonization ... at lower levels**
 - **Greater global standardization of products and services**
 - **Global contracts**
 - **Shift from multiple supplier decision points to single major decision point**
4. *What are the three main organizational approaches for addressing global accounts?*
 - **Build on the geographic regional/country organization**
 - **Introduce the market-integrated organization**
 - **Introduce a global account region**
5. *Identify the core negative features of basing the global account organization on a geographic organization.*
 - **Authority and responsibility not clearly aligned for the GAM**
 - **Country managers have local responsibility**
 - **Firm does not develop global processes**
6. *Identify three approaches for making the geographic organization work.*
 - **Cooperative corporate culture driven from the top of the organization**
 - **Appropriate measurement and reward systems**
 - **Various organizational dimensions like separate travel budgets and additional organizational positions**
 - **Good escalation systems**
7. *Identify four characteristics of the market-integrated organization.*
 - **Firm is organized into customer-industry groups**
 - **GAM reports to an industry head**
 - **GAM has global revenue responsibility**
 - **GAM has global budget for travel, etc.**
 - **GAM has local country-level account managers as direct reports**
 - **Geographic regional and country organizations are downgraded**
8. *Identify four positive features of the market-integrated organization.*
 - **Firm and global customer totally aligned – authority/responsibility vested in GAMs**
 - **Organization has global perspective and develops global processes, like:**
 - **integrated planning system for global customers**
 - **global pipeline measurement**
 - **global customer profitability measurement**
 - **better information on industry trends**
 - **more best-practice sharing**
 - **resources moved easily from one geography to another**
 - **no solid/dotted lines**
 - **no shadow accounting systems**

9. *Identify three negative features of the market-integrated organization.*
- **Major organizational change** – may be very painful
 - **Human capital losses** as people quit
 - **Executional issues** in the geographies – issues in sharing resources across industry organizations
 - **Industry silos** – may create redundancy
10. *Identify three characteristics of the global account region organization.*
- **Geographic region/country organization structure remains in place**
 - **Global accounts removed from geographic structure and placed in a new global region**
 - **Global region has its own sales, installation, service, finance, HR, and other organizational units**
 - **In small countries and less populated areas, the global region shares installations and human resources with regional/country organizations**
11. *Identify three positive features of the global account region organization.*
- **Clear company focus on global customers**
 - **Global region totally aligned with global customers**
 - **New systems and processes tailored specifically for the global region**
 - **May be a less traumatic change than the market-integrated organization** – the geographic region/country organization remains in place
12. *Identify two negative features of the global account region organization.*
- **Duplication of resources in geographies**
 - **Resistance from regional/country organizations**
 - **Potential executional/transfer cost issues when resources are shared**

Section 4: Chapter 6 – Securing the *Right* Human Resources

1. *The key human resource tasks regarding global account managers are to:*
- Identify required competencies
 - Recruit candidates
 - **Select GAMs**
 - Train and certify GAMs
 - **Compensate GAMs**
 - Retain GAMs
2. *In what broad areas should global account managers excel?*
- **Strategic acumen**
 - **Business acumen**
 - **Relationship acumen**
 - **Personal acumen**

3. *Identify four critical areas of strategic acumen.*

- **Understanding the account's business and value drivers**
- **Strategic and visionary**
- **Understanding account attractiveness**
- **Account business planning and review**
- **Creativity and systems thinking**
- **Change management**

4. *Identify four critical areas of business acumen.*

- **Value co-creation**
- **Intrapreneur**
- **Financial proficiency**
- **Performance management**
- **Resource management**
- **Risk management**

5. *Identify four critical areas of relationship acumen.*

- **Stakeholder management**
- **Multilevel impactful communication**
- **Team leadership and development**
- **Trust building**
- **Knowledge sharing**
- **Influence without authority**

6. *Identify three critical areas of personal acumen.*

- **High energy and drive**
- **Leadership**
- **Continuous learning**
- **Language proficiency**

7. *Identify three internal recruiting sources for global account managers.*

- **Sales force**
- **Strategic/key account managers**
- **Customer-facing roles**
- **Management positions**

8. *What broad approach should the firm use to recruit global account managers?*

Inventory potential global account managers

9. *Identify three interviewer types for GAM positions.*

- **Human resources**
- **Global account director**
- **Global account managers**
- **CEO**
- **Executives at the global account**

10. *All our new GAMs should be trained in an identical fashion. Do you agree or disagree?*

Partly agree. There is great value to having a consistent approach to managing global accounts that all of the firm's GAMs learn. But individual GAMs likely have different training needs. Hence, different training modules are appropriate.

11. *What is the core difference between a GAM and a salesperson that should drive differences in compensation design?*

Salespeople must produce revenues today; hence, short-term performance payments like commissions are often appropriate. GAMs must manage for both the long run and short run; hence, more varied compensation packages are appropriate.

12. *The balanced scorecard typically includes measures in four areas: financial, customer, internal business process, and learning and growth. Identify three potential measures for GAMs in each category.*

Financial:

- **Year-on-year sales growth**
- **Customer profitability**
- **Shares of current customer wallets**
- **New wallets identified**
- **New wallets developed**
- **Product mix**

Customer:

- **Customer satisfaction**
- **Customer loyalty**
- **Quality of professional relationships**
- **Quality of strategic alliance**
- **Preferred supplier status**

Internal business process:

- **Quality of global account plan**
- **Timeliness of global account plan**
- **Quality of internal team relationships**
- **Response speed to customer issues**
- **Response speed to proposal requests**

Learning and Growth:

- **Implementing personal education plan**
- **Implementing education plan for strategic account team members**
- **Best-practice exchange with fellow global account managers**

Section 5: Chapter 7 – Systems and Processes

1. *Considering systems and processes, what are the two main design problems and necessary remedies?*

- **No system – design**
- **Old system – reengineer**

2. *What is the most critical requirement for ensuring that the firm's global account management systems are fully functioning and up to date?*

Top management support

3. *What are the three main categories of systems and processes?*

- **Hard infrastructure**
- **Soft infrastructure**
- **Improvement programs**

4. *What is the difference between synchronous information and asynchronous information?*

Synchronous information **is real-time communications.**

Asynchronous information **concerns all forms of information flow and storage that do not have to occur in real time.**

5. *What is pipeline management?*

Tracking individual opportunities through a series of stages from identification to a signed contract. Aggregation of a GAM's pipeline provides good information on future revenues.

6. *Why are financial management systems often a difficult problem for managing global accounts?*

It is often difficult to develop revenues and P&L statements by individual global accounts.

- **Revenues are earned and costs are incurred in different currencies.**
- **The firm's financial systems were probably developed independently in different countries around the world and do not talk to each other.**

7. *Identify the three most important soft systems in your global account program.*

The purpose of this question is for you to examine your firm's global account program.

8. *Identify three soft systems in your global account program that need improvement.*

The purpose of this question is for you to examine your firm's global account program.

9. *Identify three soft systems that your firm's global account program should introduce.*

The purpose of this question is for you to examine your firm's global account program.

10. *The program office for my firm's global account program is responsible for the following:*

The purpose of this question is for you to examine your firm's global account program.

Section 5: Chapter 8 – Planning for the Global Account

1. *Regarding global account management, how do you distinguish the roles of:*
 - Top management **(Invest and support the global account program)**
 - Global account director **(Design and implement the global account program)**
 - Global account manager **(Plan and execute strategy at an individual global account)**
2. *Which of the following activities are important for the global account manager to do well?*
 - Help develop and align with the global account's strategy.
 - Embed the firm in the global account's strategy.
 - Expand the size and variety of the global account's wallets.
 - Secure relationships at multiple functions and levels with the global account.

All of these

3. *What are the key elements in the strategy for a global account? Fill in the missing items:*
 - Vision
 - Mission
 - **Performance objectives**
 - **Strategic focus**
 - Positioning
 - Action programs
 - **Resource commitments**
 - Budgets and forecasts
4. *The three broad areas of the global account planning process are:*
 - **Situation analysis**
 - **Bridge to strategy**
 - **Strategy and implementation**
5. *The three broad areas of situation analysis are:*
 - **Global account insight**
 - **Competitive insight**
 - **Supplier insight**
6. *The four key areas of global account insight are:*
 - **Global account fundamentals**
 - **Global account analysis**
 - **Customer value analysis**
 - **Purchase process analysis**
7. *Why is it important for the global account manager to understand the fundamentals of his/her global account(s)?*
 - **Helps identify opportunities for the firm.**
 - **Provides credibility at the global account.**

8. *What are the key elements of global account analysis?*

- **External analysis**
- **Internal analysis**
- **Analysis of strategic coherence**

Why should the global account manager complete this analysis well?

- **Helps secure deep insight into the global account's strategy**
- **Enables assessment of the global account's strategy**

9. *Why should the GAM chart out the global account's purchase process?*

To identify opportunities to provide value to the global account

10. *With what sets of firm-global account relationships should the GAM be most concerned?*

- **GAM relationships**
- **Regional/local relationships**
- **Executive-level relationships**

11. *How should the global account manager approach analyzing the firm's competitors at the global account?*

- **Identify business strengths necessary to succeed at the account**
- **Assess each competitor and the firm on possession of these strengths**

12. *The GAM should formulate assumptions about the following:*

- **Global account**
- **Competitors**
- **Firm**
- **Other environmental factors (PESTLE)**

13. *On what bases should the global account manager assess assumptions?*

- **Magnitude of effect**
- **Probability of occurrence**

14. *How should the global account manager state assumptions on which to build the global account strategy?*

- **As "we believe" statements**

15. *How should the global account manager deal with low-probability, high-magnitude-of-effect assumptions?*

- **Develop contingency plans**

16. *What four approaches does the GAM have to increase sales units?*

- **Reduce business loss**
- **Increase use**
- **Attract from competitors**
- **Identify new wallets**

17. *What four approaches does the GAM have to improve margins and investment returns?*
- **Improve prices**
 - **Improve sales mix**
 - **Reduce operating costs**
 - **Improve asset utilization**
18. *What are the four elements of positioning?*
- **Customer targets**
 - **Competitor targets**
 - **Value proposition**
 - **Reason to believe**
19. *What types of action programs should the global account manager develop?*
- **Strategic**
 - **Relationship-building**
20. *How can the global account manager prevent overextending the firm and the global account with action programs?*
- **Populate a matrix whose axes are:**
 - **type of action program**
 - **customer business unit**
 - **Searches for potential problems**

Section 5: Chapter 9 – Executive Sponsorship

1. *What are the five roles top management may take regarding the firm's global accounts?*
- **Not my problem**
 - **Loose cannon**
 - **Social visitor**
 - **Deal maker**
 - **Growth champion**
2. *Identify four actions characteristic of a growth champion.*
- **Support the global account management program**
 - **Take the customer perspective**
 - **Support customer governance**
 - **Champion executive sponsorship**
3. *Identify four purposes of an executive sponsor program.*
- **Match top management group with major customers**
 - **Encourage regional executives direct similar programs**
 - **Provide additional assurance to customer**

- **Enable broader understanding of customer**
- **Focus on future joint initiatives**
- **Drive for internal organizational change**

4. *Identify four guidelines for an executive sponsor program.*

- **Meets 2× annually (at least) with customer**
- **Part of the account manager's team – works for the global account manager**
- **Identifies opportunities for the global account manager to pursue**
- **Opens customer doors for the global account manager**
- **Removes internal roadblocks for the global account manager**

5. *Think about your organization's executive sponsor program: Identify a situation where an executive sponsor played a critical role in moving the firm-global account relationship forward.*

Reflect on your own experience.

6. *Think about your organization: Identify a situation where an ineffective (or absence of an) executive sponsor led to a deterioration of the firm-global account relationship.*

Reflect on your own experience.

7. *What key coaching tasks regarding executive sponsorship must the program office manage?*

- **Coach GAMs on working with executive sponsors**
- **Coach executive sponsors on working with GAMs**

8. *What are the three critical materials the GAM should provide to the executive sponsor?*

- **Global account plan**
- **Executive relationship map**
- **Briefing document for each interaction with customer executives**

9. *Who should receive a report on executive sponsor activities?*

CEO

10. *What benefit(s) does the net promoter score (NPS) offer the firm over customer satisfaction measures?*

NPS boils customer satisfaction down to a single number that is easily comparable year by year

11. *How should the program office deal with difficulties between individual GAMs and their executive sponsors?*

- **Counseling**
- **If counseling does not produce the required results, divorce and a new executive sponsor may be appropriate**

Section 5: Chapter 10 – Global Account Governance

1. *What are the four broad areas for governance of the global account program?*
 - **Strategy**
 - **Organization structure**
 - **Human resources**
 - **Systems and processes**
2. *What are the critical elements in global account program governance?*
 - **Decide specific program elements for review.**
 - **Develop review schedule.**
 - **Assign review responsibility.**
 - **Develop process to evaluate recommendations.**
 - **Develop process to secure approval and implement chosen recommendations.**
3. *In your firm, what specific topics are worthy of governance attention?*
 - a. **Strategy**
 - **Vision**
 - **Engagement level**
 - **Program objectives**
 - **Scope**
 - **Branding**
 - **Organizational commitment**
 - **Type of relationships**
 - **Nominating global accounts**
 - **Selecting global accounts**
 - b. **Organization Structure**
 - **Macro-organization structure**
 - **Roles and responsibilities**
 - **Team membership**
 - **GAM reporting relationships**
 - **Business-unit support**
 - **Functional support**
 - **Geographic support**
 - **GAM program office**
 - **Global account manager authority – ability to make resource commitments**
 - **Global account manager authority – pricing**
 - **Global account manager authority – hiring and firing; team-member evaluation**

c. Human Resources

- Recruiting global account managers
- Selecting global account managers
- Training and developing global account managers
- Performance measurement for global account managers
- Paying global account managers
- Retaining global account managers/career counseling
- Succession planning for global account managers

d. Systems and Processes

- Developing proposals
- Pricing and contracts
- Managing opportunities
- Complaints and suggestions
- Executive sponsorship
- Senior management involvement
- Internal communications
- Escalation processes
- Real-time communications

4. *How should the GAM proceed if he or she believes that the firm's governance procedures are ineffective?*

Develop and implement his or her own governance processes.

5. *Before implementing a governance process for the global account, the GAM should ensure that a rigorous _____ is in place.*

planning process

6. *Identify three fundamental principles of global account governance.*

- **Both supplier and global account must gain value from the relationship.**
- **The supplier/customer relationship is both organization-to-organization, and individual-to-individual.**
- **Both supplier and customer must provide top-level support for the inter-organizational relationship.**
- **Global account strategy and action programs require commitments from both the supplier and customer.**
- **Monitor-and-control processes must be transparent.**

7. *What are the key elements and timing of global account governance?*

- **Planning – annual**
- **Management – continuous**
- **Monitor and control – periodic**

8. *What critical factors may impact the supplier-global account relationship?*
- **PESTLE forces**
 - **Competitor changes**
 - **Supplier strategy change**
 - **Global account strategy change**
 - **Personnel changes — supplier and global account**
9. *Identify three critical factors for a successful global account planning process.*
- **Customer involvement**
 - **Committed global account team**
 - **Leadership from the GAM**
 - **Good data**
10. *With what types of relationship should the global account manager be concerned?*
- a. Direct GAM relationships to:*
- **Global account team members**
 - **Other supplier personnel**
 - **Customer personnel**
- b. Global account team member relationships to:*
- **Global account team members**
 - **Other supplier personnel**
 - **Customer personnel**
- c. GAM and global account team member relationships to:*
- **Among supplier personnel**
 - **Between supplier and customer personnel**
 - **Among customer personnel**
11. *Identify five critical actions for implementing each action program.*
- **Clarify key players.**
 - **Understand and facilitate organizational dynamics.**
 - **Understand and facilitate interpersonal dynamics.**
 - **Identify and address conflicts.**
 - **Continuously assess progress; identify roadblocks.**
 - **Secure required internal resources.**
 - **Deal with issues as and when they arise.**
 - **Escalate as needed – but sparingly.**
12. *Identify two critical periodic supplier-global account formal meetings.*
- **Business reviews — quarterly**
 - **High-level reviews — annual/biannual**

13. *What alternative financial measures are available for GAMs?*

- **Year-on-year sales growth**
- **Customer profitability**
- **Customer wallet share**
- **New wallets identified**
- **New wallets developed**
- **Product mix**